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NOTICE TO READERS: * indicates material not disseminated in electronic form.

* Traditional Franco-African Relations Reexamined

90EF0174A Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 Dec 89 pp 3863-3865—FOR OFFICIAL USE ONLY

[Article by Francois Gaulme: "France and Sub-Saharan Africa: Traditional Relations in a Changed Environment"]

[Text] For a long time the delicate problems, those that attracted attention in French relations with the French-speaking countries south of the Sahara, were exclusively political. The question of Chad, its interior stability, and its relations with Libya were constantly raised for more than a decade, between the collapse of the regime of General Malloum and the recent consolidation of the government of Hussein Habre. It was completely characteristic of the changes now affecting Franco-African relations that Chadian problems no longer held first place during 1989.

The year was marked principally by the effort to provide financial and economic assistance to various countries. Almost all of this aid is now subject to budgetary constraints leading inevitably to what is called structural adjustment.

The most striking events of 1989 for Franco-African cooperation included first the announcement in May, at the time of the summit meeting of French- speaking countries in Dakar, of France's intention to cancel the public debts of the least developed African countries (PMA) to French public lending institutions. This decision by the French president, later approved by Parliament, represents an unprecedented gesture worth about 20 billion French francs, or about one-third of annual French financial assistance to the developing countries. The other event of such importance is the effort to salvage the finances and the economy of the Ivory Coast, an operation that will be longer and even more delicate. This effort was undertaken in cooperation with the international community. Conversations in depth, held during the spring in Paris between Presidents Mitterrand and Houphouet-Boigny, showing publicly the closeness of very old, personal relationships, ended in the summer with the development of a recovery program by the Ivorian authorities. Then came its approval by degrees by different sources of funds. (For example, the meeting of friends of the Ivory Coast in Paris in October under the auspices of the World Bank, the approval of the recovery program by the World Bank, the approval of the recovery program by the IMF in November, and the rescheduling of 1.0 billion francs in debts owed to the "Paris Club" in December.)

The importance of economic problems outside of bilateral relations was still apparent in the negotiations for the renewal of the Lome Convention, which took most of the year and were completed when France served as president of the European Community. The final result, and particularly the 46-percent increase in the funding of the EDF (European Development Fund) over the next 5 years, was obtained, thanks to the determination shown by the French Government, as well as European Community headquarters in Brussels, despite the fact that considerable reservations on the part of other members of the community were apparent. During the final stage of the negotiations the insistence of the ACP countries [African, Caribbean, and Pacific countries associated with the EEC] led to the addition of 100 million ecus [European Community currency units] to their allocation in the EDF. Half of this sum was obtained by the efforts of France, which thereby slightly increased its overall contribution to the EDF (now 26 percent of the total). However, this contribution does not equal that of the FRG to this fund (28 percent of the total). The result is all the more considerable since the French, whose trading difficulties in Africa have been confirmed, are no longer the primary beneficiaries of EDF grants, compared to the contributions that they are making. The Italians and the Danes are in first and second place.

Attempt at Recovery

The seriousness of the economic and financial situation in the African states most closely linked to France is reflected, in particular, by the increase in loans from the Central Fund for Economic Cooperation (CCCE), whose outlays amounted to more than 7 billion French francs in 1989, principally due to the structural adjustments now under way.

This situation has led the French authorities and African political and financial leaders to reexamine in common, or on an individual basis, the manner in which the general economic environment functions.

France is concerned about dealing with the problem of French investments south of the Sahara. The flow of net investments between France and the African states of the franc zone is positive, as has been the case since the establishment of this financial arrangement. However, one half of the 1988 investments were in the petroleum sector, and the rest, for the most part, is associated with mining interests. The most sensitive deterioration in the French position may be found in the trade sector, properly speaking, in large machinery items (as a result of the generalized reduction of state resources) and in the export substitution industry, which suffers from increased competition, under present conditions affecting this activity in the African countries belonging to the franc zone.

The dialogue between the French Government and the French private sector regarding Africa has become notably more active over the past several years. The initiatives taken by Michel Aurillac, minister of cooperation in the Jacques Chirac government, known under the name of "study days" and a "follow- up to Libreville," which sought to encourage "partnerships"—that is associations in the form of joint ventures or something similar—between African and French companies and institutions have not, in general, produced the results

desired. No major delegation from French private industry attended the French-Speaking Business Forum, held in Dakar in 1989 at the same time as the summit meeting of French-speaking countries. Therefore, the meeting turned out to be particularly advantageous for the strengthening of economic ties between Canada and Africa.

However, France succeeded in reorganizing its own system for supporting the French and African private sectors by various efforts whose results were presented in November 1989 by Jacques Pelletier, minister of cooperation and development, and by Philippe Jurgensen, the new director-general of the Central Fund for Economic Development. An investment guarantee fund of 50 million French francs was set up to make it possible for local bankers to support the efforts of private entrepreneurs. The Central Fund, which has become virtually the single institution for contacts with individual companies, is going to set up a subsidiary, to be called Proparco, which will specialize in taking shares in private-sector companies and will make its capital available to them. An organization specializing in cooperative activity, on the model of the Committee on Decentralized Cooperation, which was established in the middle of 1989 by the French Government, may be set up in the near future to strengthen contacts between French private or semipublic companies interested in Africa and the leaders of Franco-African cooperation in Paris.

All of these actions, taken within the French Government, whose effects will be relatively slow to make themselves felt, have paralleled various attempts at reform in French-speaking Africa. The French Government and the large, nationalized French banks are sensitive to the deterioration of the banking situation in the franc zone and to necessary changes in this area. The control of the BIAO [International Bank for West Africa] by the BNP [National Payments Bank] and the changes made by the Credit Lyonnais [Credit Bank of Lyon] in the arrangements affecting its presence in Senegal illustrate this banking crisis and the French desire to overcome it. In the UMOA [West African Monetary Union], Mr. Ouattara, the new governor of the Central Bank, has undertaken a courageous policy of returning to tight controls and fighting against capital flight. This will be handled, in particular, by raising interest rates to encourage savings in the monetary zone. The UDEAC [Customs and Economic Union of Central Africa] is lagging behind this movement. However, there is no doubt that similar developments should be undertaken in that area by the financial authorities, in the framework of the general struggle against distortions in the system of the franc zone.

Bilateral Franco-African cooperation is not limited to these reforms. The case of Air Afrique is the best illustration of this new form of common action. Control of this company has been taken back by Rolland-Billecart, who had to leave the CCCE to undertake an essential reorganization of this multinational company, at the request of President Houphouet-Boigny. If we may be more discreet, other elements have also played a part in this development. There is a kind of general audit of Franco-African relations now under way in the economic and financial sphere, in cooperation with the international community and its different kinds of representation.

A New World

However, political questions have not disappeared entirely in the relations between Africa and France. Although France is no longer trying to teach the world how to deal with the questions of southern Africa, which it knows but still perceives rather badly, the requests of the African governments are creating an unintentionally tense climate. The situation has its humorous aspects. In African capitals there is concern over the emergence of the expanded European market in 1993. The negotiations at Lome IV have been broadly influenced by this state of mind, which is particularly evident among the French-speaking African countries. On the other hand, the upheavals that we have seen in Eastern Europe since last fall have reinforced these fears, by adding to them the view that the Europeans will lose interest in an Africa whose economic prospects show little prospect of commercial gain or good investments. The African countries fear that the Europeans will be increasingly interested in their "brothers" on the other side of what was called the Iron Curtain for a long time.

The French Government continues to reply serenely to these allegations, emphasizing that the expanded European market of 1993 and the political and economic opening to Eastern Europe are advantageous for Africa.

It is not certain that this line of argument will be enough to silence these concerns because the possibilities created by these two developments, even for countries producing nothing but raw materials, are unquestionable. Over the next few years the African continent, and particularly that part of it south of the Sahara, apparently is going to lose a diplomatic advantage that its political leadership knew how to exploit with remarkable skill. The rivalry between France and the United States or between France and Great Britain, still apparent in Africa at the beginning of the 1960's, no longer existed 20 years later but was largely replaced by the rise of the East-West confrontation, particularly after the process of Portuguese decolonization was completed and in the final period of the Brezhnev era. All of that disappeared later with surprising speed.

The consequences for Franco-African relations were less apparent than, for example, in the events that southern Africa is going through, where the internal unraveling of the system of apartheid is having less effect on Soviet perestroyka and the warming of relations between East and West. Nevertheless, the long-term changes, even in that area, should be considerable.

What is disappearing, first of all, is the alignment of states that is progressively losing a sense of direction, even though, often enough, such orientations were only

more or less admitted. Benin has just abandoned its orientation toward Marxism-Leninism. The weakening of the "progressive" camp, which has become very apparent since the death of Sekou Toure in French-speaking Africa, is benefiting from what once used to be called the "moderates," that is, the pro-Western states. Right now it is hard to see how destructive, diplomatic forms of purely regional conflicts can emerge as a result of chain reactions in alliances, particularly in the OAU [Organization of African Unity], as was the case with regard to the Western-Saharan question. However, the "moderate" countries have not really triumphed, because structural adjustments have made it clear to everyone that their economic practices were far removed from the liberalism that they preached so glibly in their public statements. After this discovery and the spread of a thirst for individual political freedom, which the world now seems to be feeling, there is no room for doubt that the problem of effective democracy will also be posed to all one-party African regimes, whether they are theoretically pro-Western or pro-Marxist. In that case also, the situation in Benin is an example of the new period.

The Franco-African summit and the summit meeting held in Paris to commemorate the bicentennial of the French Revolution were occasions for raising subjects rarely touched on until now: civil rights and the environment. Although France also led the way in attracting the attention of the developed world to the debt problems of the Third World, she also, for her part, had to listen to some lessons. No longer is there any Franco-American rivalry in the political sense in Africa. French relations with the organizations set up at the Bretton Woods conference, including the IMF and the World Bank, long suspected of being too close geographically and morally to the federal government in Washington, have very noticeably improved over the past few years.

However, the traditional nature of Franco-African relations (which the Socialist Party has not changed) and the lack of interest on the part of French public opinion in certain questions have only ensured that France is no longer the leader in new ideas in the area of North-South relations. On the other hand her financial burden in Africa has also forced her to take into account the political and economic dynamism of friendly and rival countries at the same time, such as Canada or the Federal Republic of Germany, which benefit broadly from the absence of France from those areas where she cannot play an active role. The success of the summit meeting of French-speaking countries in Dakar was assured both by Ottawa as well as by Paris, although the essential elements of the financial program, direct or indirect, were provided by France. The election in December 1989 of Jean-Louis Roy as director of the ACCT [Cultural and Technical Cooperation Agency] also provides an illustration of these new and necessary arrangements. The Quebec delegate to Paris was not the candidate of the French Government. Nevertheless, he was elected by the representatives of the states attending the meeting, most of which were African.

Nevertheless, the ordinary course of political relations between France and her former African possessions continues. Although the Chad-Libyan conflict is now greatly reduced, with at least a surface reconciliation, French troops continue to be stationed in Chad, despite some frictions with the government in Ndjamena. The affair in the Comoro Islands, after the assassination at the end of November 1989 of President Ahmed Abdallah by the European mercenary soldiers in his personal guard force, recalls all of the difficulties and ambiguities in relations that were almost too close and of what could be called the dialectics of dependence. France cannot relax either her military or financial efforts in French-speaking Africa and still feels the negative effects of what can be called family ties. In this regard the conflict between Senegal and Mauritania proved that Paris could only be a second-rank mediator behind the OAU and President Mubarak of Egypt, as pressures in the opposing directions by their former colonial territories could turn out to be embarrassing.

Therefore, France continues its traditional policy south of the Sahara. However, no one can doubt any longer that this task will become more difficult to perform with the passage of time. To international influences are added the effects of internal controversies, which are not limited to the problem of immigration, which was so sharply felt at the end of 1989. In the course of 1989 there was a great deal of questioning in Paris about the internal organization of the North-South dialogue. In April a debate in the National Assembly revealed the strength of the criticism by all parties of the administrative organization concerned with African questions and development. However, the government chose, rather wisely in these troubled times, to change only what seemed essential to the maintenance of the efficiency of the French presence, public or private, south of the Sahara. There is no better evidence of the prudence with which France is approaching the new era in Africa.

* Role of French Military Presence Discussed

90EF0171A Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 Dec 89 pp 3868-3869—FOR OFFICIAL USE ONLY

[Article by Laurent Jacquet: "The French Military Presence in Africa"]

[Text] Since their accession to independence during the 1960's the French- speaking countries of Africa have known that they can count on the necessary support for the exercise of their sovereignty that France gave them. The efforts by France have been based on a sincere and disinterested desire to help them and on a continuing concern with maintaining direct and fraternal relations with them at all levels.

More precisely, the aid provided by France to the countries that it had administered for a long time has been given and is still being given on the basis of three

fundamental ideas: economic assistance, monetary guarantees, and a promise, in case of threat, to provide protection for internationally recognized borders.

On this latter point the defense agreements provide for the protection of their borders to the signatory countries, without requiring them to incur heavy expenditures on loans for arms and military equipment which, as Ambassador Fernand Wibaux recently emphasized, "in all logic would be more usefully spent on development programs."

These agreements, which differ in type and in extent, still reflect the desire to help the French-speaking African countries to overcome some of the difficulties related to their accession to independence and to provide them with help, as needed, once they have asked for it, by reason of the historic, cultural, and economic ties that they have with our country. Air Force General Jean Saulnier recently recalled: "The forms of this French military presence are very diverse and continue to adapt themselves to changes in a rapidly evolving world, which is subject to crises often difficult to anticipate, at times dangerous, and always destabilizing."

However, the French military presence in Africa is not only explained by strategic or economic interests. Nearly 900 French military personnel are carrying on military assistance missions on the ground in the various countries. Thus, there are numerous reasons for a French military presence in Africa, the most important being the defense of their sovereignty and strategic interests, respect for the commitments entered into with friendly countries, the development of technical military assistance, and finally carrying out humanitarian missions to peoples who have suffered from the forces of nature or have been affected by natural disasters.

The military commitments of France in Africa reflect the size of the military deployment already in place in Africa south of the Sahara, using five support bases: Dakar, Abidjan, Libreville, Bangui, and Djibouti. All of these deployments are located south of the Sahelian belt. Two of them, Dakar and Djibouti, occupy strategic positions in the western and eastern parts of the African continent, close to the major maritime trade routes on the periphery of Africa. The base in Bangui, in the center of the continent, makes it possible to rapidly intervene on behalf of the landlocked countries, as is the case at present in Chad.

Let us remember that this French military presence is there in response to requests made by the host countries in the context of existing defense agreements. In the same way, it is under cooperation agreements that many French officers and noncommissioned officers serve abroad, providing technical military assistance. In a very complete study recently published by the magazine ARMEES D'AUJOURDHUI [Armies of Today] Colonel de Metz stated that nearly 1,000 French military personnel from the Army, Navy, Air Force, the Gendarmerie Nationale [National Gendarmery], and the French military health services are now carrying on military assistance missions in Africa, acting as advisers or instructors and working within the general staffs, the schools, or units of the various, national armies. The scope of these missions is varied, from defense adviser to a high-ranking official to serving as a check pilot, a doctor serving with a military unit, or a helicopter mechanic.

To these semipermanent missions should be added temporary, technical missions covering a period from a few days to a few months in connection with a short-term training operation, for the study of a specific problem, or the establishment of a specialized service (such as the organization of a fire department). Over the years the "profile" of French military personnel taking part in these assistance programs has changed in adapting itself more effectively to the needs expressed by the countries asking for this help.

It is basically in the French-speaking countries of Africa south of the Sahara and of the Indian Ocean (920 personnel) that those engaged in military assistance programs provide their help in this way.

Finally, humanitarian aid, still another form of presence, reflects a duty of solidarity that France is trying to respond to as broadly as possible.

In the view of Colonel Georges Bontoux, also quoted by ARMEES D'AUJOURDHUI, the implementation of French defense policy overseas, and, therefore, in Africa, is based on a system with three components that are indispensable and complementary. One of these components is technical, humanitarian assistance, which reflects agreements linking France to several African countries and which participate in this policy indirectly.

The second of these components consists of two kinds of forces: permanently prepositioned forces, called sovereignty forces, when they are deployed in overseas departments and territories, and forces of presence, when they are stationed in foreign countries with which defense agreements have been signed.

The forces of presence are divided among Africa, the Indian Ocean, and the Pacific Ocean. The temporary forces are divided into two theaters of operation: the Middle East and Central Africa, where the deployment in the air and on the land is almost totally in Chad and in the Central African Republic.

Although the defense agreements, which are rather few in number, in principle involve a French commitment in the case of aggression against an allied country, the cooperation agreements are of a different kind.

The specific, military assistance missions are carried on in three quite distinct areas: by the presence of technical military assistance personnel and French military personnel detached as teachers in national military schools and wearing the uniform of the receiving country. The presence of these teams of French military personnel

"costs" about 325 million francs out of the 900 million franc overall budget for military assistance. This figure itself is about 13 percent of the total budget of the French Ministry of Cooperation.

The second form of French military cooperation with the African countries in the area of technical military assistance consists of help in training and in instruction. (It costs about 120 million French francs.)

This training assistance takes place in two ways. First, French military schools of the three branches of the armed forces and of the Gendarmerie Nationale receive senior officers and African student officers of all specialties. At present there are about 2,200 such trainees in French military schools. Furthermore, four inter-African schools have been established, sponsored by our own service schools, where only trainees from the African countries are accepted. These include: the Communications Instruction Division within the School of the Armed Forces at Bouake in Ivory Coast (established in 1983); the Training and Instruction School of the Zairian Armored Force in M'Banza Ngungu (Established in 1984. In 1988-1989 the school had trainees from 14 African countries.); the Military Administration School in Lome, Togo (which opened its doors in September 1986); and the Infantry Instruction Division at Thies, Senegal.

These four inter-African schools are really extensions of the French military schools, while remaining a part of the various, national armies. They have already proved, at least in the case of the oldest graduates, that they have made it possible to meet the needs expressed by the two parties. Their success rests on respect for a certain number of criteria, including the unquestionable quality of the instruction, emphasized by the fact that the diplomas that they award are equivalent to those issued by French military schools at the same level. The sponsorship of the corresponding French military schools and the active cooperation that unites all of the partners engaged in this "adventure" is reflected both at the program level and at the level of operations and administration.

The third aspect of French military cooperation in Africa consists of direct assistance in the form of certain equipment from which the countries concerned can benefit, in response to locally expressed requests. This involves direct assistance in the form of deliveries of equipment provided at no cost.

Beyond their specific military missions, the French military personnel in the presence, temporary, and cooperation forces have a certain economic importance by the very fact of their presence. For example, we may remember the 40 percent of the Gross Domestic Product of Djibouti that 3,900 French military personnel generate. Regarding the Senegalese economy and the creation of wealth resulting from the different civilian activities of France, the 2,200 French military personnel are not as important. Indirectly, however, the transfer of the Dakar military arsenal, which previously came under the Directorate of Naval Construction and Weapons (DNCW) in the Senegalese Government, provides another example of indirect transfers linked to our military relationships with certain African counrtries, because it made possible the creation of many civilian jobs.

Finally, we could emphasize, in addition to the image projected by our country, the important role of the 500 French military personnel present in the Ivory Coast or that of the battalion of Marine infantry now permanently stationed in Gabon.

Of course, so that our picture will be complete, It would be appropriate to emphasize also the presence and the activities of 400 doctors and military pharmacists serving in a cooperative role on the African continent, about 45 of whom are technical military advisers. Among the very large number of things that they do, we might remember the interest shown by French military doctors at Pelletier Hospital in Djibouti. It is legally a civilian hospital, and 80 percent of those treated at it are "non-French military personnel."

By their availability, the flexibility of their means of instruction, and their ability to deal with crisis situations, the French military personnel present in Africa, therefore, provide assistance and at the same time are a precious resource for the conduct of activities that are both strictly military and involve logistical and humanitarian support that France intends to provide for the benefit of the peoples of the African countries.

Regarding nonmilitary, crisis situations, such as those resulting from drought, famine, or natural disasters, it is still the armed forces to which we appeal initially. This is because the French military forces can provide immediate help for lifesaving operations at sea, for the transportation of food and first aid supplies, and also for setting in place emergency medical teams, carrying on vaccination campaigns, evacuating people affected by disasters, or even repairing works of art.

Thus, the various forms of the French military presence in Africa have different objectives and use different means. However, they are still flexible in their use and above all they complement other efforts. This complementarity of the prepositioned resources, their flexibility in use, and their readiness to be employed at a distance and quickly make it possible for France to adapt to each particular case the specific resources to be used, depending on whether the crisis requires military or humanitarian treatment.

Of course, we should not forget the considerable economic impact of this presence at the local level. Although this many faceted system up to now has provided evidence of its efficiency in resolving or diminishing the impact of crises as different as the one that Chad has encountered during the past few years or as a result of the invasion of locusts in Senegal 18 months ago, the vigilance and the imagination of those charged with its

management must remain constant to permit the proper adaptation of this system to the always urgent problems posed by contemporary events.

* Italian Economic Cooperation Reviewed

* Economic Policies

90EF0137A Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 10 Nov 89 pp 3164-3165—FOR OFFICIAL USE ONLY

[Article by Helene Deval: "Italian Policy in Africa"; passages within slantlines published in English]

[Text] With the reform of the Italian cooperation program pursuant to Law No. 49 of 1987, governmental aid was brought under the jurisdiction of Italian foreign policy as opposed to external trade relations. Policy and cooperation are thus closely connected.

Italy's policy in Africa is determined by both geographical priorities and preferences of a more cultural nature. On the one hand, the geographic proximity of the countries on the southern side of the Mediterranean is quite naturally responsible for the close ties established between Italy and the countries of the Maghreb, those on the Horn of Africa (Ethiopia and Somalia) and Egypt, Libya and Sudan. Also, the historical ties with Somalia are very considerable.

On the other hand, political considerations have been behind Italy's commitments in southern Africa (especially Mozambique) and North Africa. Italy favors negotiated solutions and supports the dialogue that has begun among the various parties concerned; it also supports the regional cooperation initiative of the SADCC (/Southern African Development Coordination Conference/) countries. Italian aid has been concentrated on Mozambique because of cultural affinities as well as the country's strategic importance for regional stability, and this has also extended to the other countries of the region. The Italian presence is more visible in Mozambique than any other African country except Ethiopia and Somalia.

During his February 1989 visit to Africa, Italian head of state Francesco Cossiga stopped not only in Mozambique, where Italy is the biggest foreign aid donor, but also in Zimbabwe and Zambia, countries (such as Somalia) where an Italian head of state had never before visited. These Frontline states are essential to the political evolution of the region; Zambia, in particular, has a part to play in the dialogue under way with South Africa.

Italy has aligned its policy toward the Pretoria regime with the position taken by the EEC. It maintains diplomatic relations with South Africa. Nevertheless, in 1987 and 1988 it voted in favor of UN sanctions, unlike other European states in the Security Council. In Rome's view, the new South African head of state seems to be saying the right things, but it is too early to judge how well his words will translate into action.

Since the early 1980's Rome has been increasing its cooperation with the SADCC countries. Mr Cossiga's visit to this region reflects Italy's desire to maintain a presence in a part of Africa that, although troubled and facing an uncertain future, has some of the greatest potential.

In Somalia Mr Cossiga reiterated Italy's concerns about human rights, and President Siad Barre took the occasion to announce the release of several political prisoners. In its relations with both Ethiopia and Somalia, Italy has always laid great emphasis on this issue, as well as on internal peace and national reconciliation. It is attentively following developments in the negotiations, under Jimmy Carter's auspices, between the Ethiopian Government and Eritrean and Tigrean rebels, and is ready to be of help in finding a peaceful solution to those conflicts.

In North Africa, Italy cannot remain indifferent to the political changes affecting the regimes in power in Tunisia, Algeria, and even Egypt. Ties between Italy and the Maghreb are close, especially with Tunisia. Italian aid to that country has increased dramatically in recent years, to the point that Rome has become the largest donor after France. RAI [Italian Radio Broadcasting Company] broadcasts are picked up throughout Tunisian territory, a fact that helps reinforce the cultural ties and mutual understanding between the two countries. Also, there is a sizeable Italian community in Tunisia. Officials of the two countries have held frequent consultations. For example, in July 1988 the Tunisian minister of the interior visited Italy, where he held talks on security matters with his Italian counterpart and discussed Maghreb-EEC relations with the vice president of the Council of Ministers. He also met with Italy's foreign minister, who, himself, visited Tunis in October 1988 to sign a 3-year cooperation agreement. Italy's external trade minister had been to Tunisia in December 1987. Italy (along with France) is one of Tunisia's biggest trade partners.

Ties to Algeria are also close. In July 1988 the Algerian foreign minister visited Rome, where the two sides exchanged views about the dialogue under way between the northern and southern sides of the Mediterranean as well as the complementarity of their economies. The following December Mr Giulio Andreotti, Italy's foreign minister, visited Algiers. In addition to the signing of a 3-year cooperation agreement, the visit gave him the opportunity to hold talks with Algerian authorities on the situation in the Middle East, Mediterranean security issues, and, of course, the Maghreb. Italy often consults Algeria, because it plays a moderating role in the Palestinian and Iranian-Iraqi conflicts. Italy is also a privileged interlocutor with the countries of the Maghreb in their relations with the EEC. Among other things, it helped bring the citrus negotiations between the EEC and the Maghreb to a successful conclusion. Even though Italian production is in competition with some products of the Maghreb (olive oil, tomatoes), Italy seems rather

to be looking ahead toward a more long-term complementarity based on North Africa's desire to industrialize, which would make it a perfect outlet for Italian machinery and manufactured goods.

Rome has a special interest in Egypt. The two countries have had close ties for years, Cairo being considered an essential actor in any solution to the Middle East problem. The Italian head of state did not fail to include Egypt in the group of countries he visited in early 1989.

Relations with Morocco are marked by a certain degree of competition between Italy and Spain.

But the closest—and at the same time most difficult—partner is obviously Libya, with which relations have been decidedly uneven. Even in the heat of the 1986 political crisis, Italy could not forget that Tripoli was Rome's biggest trading partner in Africa or that a considerable number of Italian enterprises were operating in Libya. Italy buys Libyan oil and natural gas, and Tripoli reportedly accounted for about 18 percent of Italian arms sales before the 1986 embargo decision taken by the Italian authorities. In addition, Fiat built a plant in Libya in 1984, and Iveco trucks are assembled in Tripoli. Up to 1986 the /Libyan Arab Foreign Investment Company (LAFICO)/, a Libyan financing concern, owned 15 percent of Fiat's stock and holds 70 percent of the stock in the Italian oil company Tamoil. Moreover, about 15,000 Italian nationals were working in Libya before the events of 1986, which led many to depart at the beginning of the year, leaving only 2,500 behind.

Tensions between the two countries are based on both political and economic issues.

First of all, Colonel Qadhdhafi repeatedly brings up his demand for payment of war damages and indemnification for the colonial period; he has also accused Italy of supporting his regime's opponents. The missiles launched from the Libyan coast in April 1986 against the isle of Lampedusa, the site of American military installations (since the American raid on Tripoli), contributed to increasing tension between the two countries. Italy responded late in April by expelling 12 Libyan diplomats, in retaliation for which Libya expelled 25 Italians, including some diplomats.

On the economic front, relations were strained the same year by the fact that Libya's indebtedness to Italian enterprises grew to nearly $1 billion. More than 300 out of the approximately 1,000 Italian firms dealing with Tripoli were stuck with bad debts. The July 1986 Milan court decision to freeze Libyan accounts in five Italian banks further poisoned the atmosphere.

Nevertheless, Italian political authorities, already accustomed to the behavior and extortion tactics practiced by the Libyan head of state, minimized the dispute; they seemed to believe that the real enemy of the Tripoli regime was the United States and that Rome was not really involved.... Col Qadhdhafi's description of Italy as Libya's number-one enemy, notwithstanding.

Bilateral relations were not broken, and in October 1986 Rome pardoned three Libyan killers in exchange for the release of four Italian nationals held hostage by Tripoli.

But normalization of relations did not really begin until July 1988, when a delegation of Libyan parliamentarians visited Rome. The thaw in relations became more definitive in December 1988, with the visit of Major Jalloud, Qadhdhafi's number-two, during which the Italians promised substantial new aid and in return got contracts for Italian enterprises in the fields of petrochemicals, aluminum, construction equipment and agro-industry.

(Bibliographic note: see the December 1988 issue of GEOPOLITIQUE AFRICAINE.)

* Development Aid

90EF0137B Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 10 Nov 89 p 3166—FOR OFFICIAL USE ONLY

[Article: "Italian Cooperation in Africa"]

[Text] Italy only recently joined the club of major international donors. Ten years ago Italian governmental development aid (APD) was modest: in 1979, aid commitments amounted to no more than 1,275 billion lire, and funds actually disbursed scarcely came to 220 billion, or 0.08 percent of GDP [gross domestic product]. From 1970 to 1979, in fact, Italy was consistently in 17th place—that is, last on the list—among the countries in the [OECD] Committee For Developmental Aid (CAD). Only on rare occasions did it come in 16th or 15th.

Twice in the last 3 years CAD has crowned Italy the "queen" of international assistance. CAD described both 1986 and 1988 as the "years of Italy." But alough its first victory may have been the result of a favorable combination of accidental factors (in fact,a large share of the contributions were concentrated on multilateral organizations), in 1988 the growth of Italy's APD was based on bilateral aid and donations (Cooperation Fund) as well as assistance credits distributed by the Dedicated Fund for Reimbursible Credit (Rotating Fund). Donations from the Cooperation Fund that year came to 1,833.6 billion lire, and 843.6 billion was disbursed in assistance loans. In all, Italy's APD amounted to 4,142.7 billion lire, a significant increase over 1987, when the total was 3,389.7 billion lire (the figures used in this article are official CAD figures, not necessarily identical with those based on an accounting system different from the one used by the Italian Government).

In 1988, Italy was again the fifth-ranking donor country in absolute terms. In percentage terms, the ratio between distributed ADP funds and GDP improved, going from 0.35 percent in 1987 to 0.39 percent in 1988.

In addition, the amounts allotted that same year reached the highest level ever (4,291 billion), showing an increase in both absolute and inflation-adjusted terms over the previous year. The ratio between APD and GDP increased in a year when the country experienced strong

economic growth. Thus, in 1988 the rate of increase in funds appropriated by parliament for development aid reached a peak that propelled Italy in less than a decade from a quite marginal position—as noted above—to the fifth-ranking donor country, a position consistent with the position of the Italian economy in the world.

This success was achieved little by little, thanks to persistent commitment on the part of the Italian legislative branch and strong pressure from public opinion matched by the capacity of the Ministry of Foreign Affairs to adapt to new exigencies.

The foreign affairs ministry formally took over management of aid to the Third World in 1971 with enactment of Law No. 1222 on technical cooperation.

But strictly speaking, the Italian cooperation program was born only with the passage of Law No. 38 of 1979, which defined the objectives and methodological criteria and created instrumentalities capable of assuring consistent orientation and implementing a strategy of global involvement designed to address the causes—rather than the effects—of underdevelopment. It also spoke of the need to avoid the temptation of trying to export models and blueprints that might conflict with the cultural, social, and economic realities of intended recipient countries. Another fundamental principle of Italian activities on behalf of developing countries—one that is emphasized in Law No. 38—is always to let recipient countries take the initiative.

Law No. 38 made it possible to double [development] credits, which then amounted to 3,900 billion lire.

In 1985, under pressure from a public at last conscious—whether out of humanitarian concern or political considerations—of the need to alleviate the overwhelming disparities between regions, a new law, No. 73, was promulgated creating an organizational structure parallel to the Department of Development Cooperation but still within the Ministry of Foreign Affairs. Thus, was born the Italian Aid Fund (FAI).

Its initial endowment of 2,900 billion (including a portion of the credits provided in Law No. 38) was dedicated exclusively to emergency projects, especially agrofood projects. The Fund was scheduled to be disbursed over an 18-month period.

* Companies Described

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[Article by B.C.: "Italian Companies in Africa"]

[Text] Companies in the ENI [National Hydrocarbons Agency] group have been present on the African scene for more than 30 years, since the era of the group's first president, Enrico Mattei. That was when Agip—a company whose primary purpose is to supply hydrocarbons for the Italian market—first began overseas exploration. In Africa ENI currently has representatives, agents or sectoral branches in Lagos, Abidjan, Douala, Libreville, Luanda, Nairobi, Lusaka, Dar-Es-Salaam, Kinshasa, Brazzaville, Addis Ababa, Khartoum, Kampala, Cairo, Tripoli, Algiers, and Tunis.

Exploration and Production

The surface area of African concessions in which Agip owns an interest, either alone or with partners, is about 220,000 square km. Total production from these enterprises is more than 56 million tons, of which Agip's share was 4-8 million tons in 1987 and 6-9 million in 1988.

In Algeria, Agip has been involved since 1981 in oil exploration in the eastern part of the country, where in 1986 it discovered the ROM [expansion unknown] deposit. Recoverable reserves from this deposit have been estimated at about 9 million tons.

In Libya, Agip and the state petroleum agency NOC [expansion unknown] jointly established an operating company, Agip NAME (/Agip North Africa and Middle East/), which handles exploration and production in an area where it has obtained a concession. Overall production is currently about 200,000 barrels per day or 10 million tons per year.

Agip signed a convention in 1960 with the Tunisian Government, with which at the time it had formed an equal-partnership company, SITEP (Italian-Tunisian Oil Exploration Company). In 1964 came the discovery of the El Borma deposit, the biggest in the country, which is currently producing about 65,000 barrels per day of crude (more than 3.2 million tons per year).

In Egypt, Agip carries out its exploration and production activities through the IEOC company and its "nonprofit" subsidiaries, in which the Egyptian state company EGPC (/Egyptian Petroleum Company/) owns a 50-percent interest.

Agip explores concessions in diverse areas, often in partnership with other international companies, and is involved in joint ventures with other international companies. The discovery of the deposits at Belayim, Abu Rudeis, Abu Madi, and Shukei Bay goes back several years.

Agip recently acquired a majority interest in the Melehia and West Razzak tracts in the western desert. Also, IOEC has a mandate to explore the North Sinai offshore concessions in the Mediterranean.

In 1988 it supplemented the crude produced from its own holdings with purchases on the international market, in order to have more appropriate crudes with which to satisfy the needs of its Italian and foreign subsidiaries and to sustain a high level of /trading/ activity.

In Angola, two of Agip's five offshore sites are currently producing; Agip's share is 40,000 barrels per day.

Agip operates in the Congo through its subsidiary Agip Research Congo (RC), a company in which the Congolese Government holds a 20-percent interest.

With Agip's production share standing at about 3 million tons per year, Congo is Africa's fourth largest source of crude after Libya, Egypt, and Nigeria.

RC is engaged in joint production activity with Elf at the offshore concessions of Madingo Maritime and Pointe Noire Grands Fonds. In partnership with the Congolese state company Hydro-Congo, RC carries out exploration at the offshore concessions of Marine VI and Marine VII.

In Gabon, Agip SA currently owns the Tassi Marine concession II as well as two offshore concessions, Mpira Marin and Panca Marin, operated under "production-share" contracts. The American company Sun Oil is also involved in activity at the latter two concessions.

Agip works through two companies in Nigeria, NAOC (/Nigerian Agip Oil Company/) and AENR (/Agip Energy and Natural Resources/).

NAOC is the operator in a joint venture with Phillips and the Nigerian state company NNPC [Nigerian National Petroleum Corporation]. It is active on four concessions situated at the mouth of the Niger river. Agip's share of production is about 30,000 barrels per day (1.5 million tons per year).

AENR has a service contract to perform work for NNPC. Exploratory activity covers various concessions, including one where a single discovery has led to production of 30,000 barrels per day.

Refining and Distribution

In 1988 worldwide sales by subsidiaries of Agip Petroli in Africa reached 1.83 million tons.

In Algeria, Agip Petroli is the basic supplier for lubricants, while in Libya prospective joint ventures between Agip Petroli and Libyan companies on the "downstream" side of the petroleum sector are under consideration.

The consortium exports lubricants, additives and chemical products in Tunisia. Agri Petroli recently signed an agreement with the Tunisian petroleum agency ETAP [Tunisian Petroleum Activities Enterprise] for acquisition of a minority interest in the Bitumed company. The agreement is intended to lead to the completion of a bitumen processing facility.

In Morocco, Agip Petroli has a minority interest in CMH (Moroccan Hydrocarbons Company), which markets petroleum products, mostly gasoline and LPG [liquefied petroleum gas].

In Ivory Coast Agip operates a distribution network of 44 service stations, in addition to a coastal storage depot and LPG bottling facilities.

The company buys finished products from SIR (Ivory Coast Refining Company). Overall sales total 135,000 tons. Some of the lubricants are imported from Italy.

In Ethiopia, Agip distributes petroleum products through a chain of about 100 installations. Annual sales, including sales to clients outside the chain, are about 200,000 tons. The company provides products to the state-owned /Ethiopia Petroleum Corporation/.

In Kenya, Agip Ltd. has a road network of 87 service stations, and sales come to about 250,000 tons per year. New initiatives have been launched, including production of blends and bituminous waterproofing compounds, as well as assemblage of gas stoves and refrigerators.

In Nigeria, Agip has a chain of 217 service stations. The company averages sales of 600,000 tons per year. Its latest investments include the "/blending plant/" at Kaduna (30,000 tons per year), an insecticide manufacturing plant, and a gasoline pump assembly plant at Apapa.

Six new service stations have been built in the last few months, and others have been completely rebuilt or renovated.

In Sudan, Agip Ltd. has a chain of 36 service stations and 13 storage depots. The company gets its supplies from the Sudanese petroleum agency GPC [expansion unknown].

In Tanzania, Zambia, and Zaire, Agip is involved in refining and distribution. /Tiper Refining Co. Ltd./ is located in Dar es Salaam. Agip Petroli and the Tanzanian Government each own half of the company. In 1988 the refinery processed about 600,000 tons of crude. The crude is imported by the state-owned TPDC (/Tanzanian Petroleum Development Corporation/) and processed for the TPDC itself, which handles sales of the products to oil companies doing business in the country.

Agip Tanzania Ltd., in which the Tanzanian Government own a 50-percent interest, has a chain of 65 service stations. In 1988 it had sales amounting to 163,000 tons. The company has four motor fuel storage depots and two LPG bottling plants. It gets its inputs from TPDC.

In Zambia, Agip Petroli and the Zambian Government own 50 percent each of /Indeni Petroleum Refinery Ltd./ The refinery, located at Ndola, has an average utilized capacity of 650,000 tons of crude per year. Products are refined for the state petroleum agency (Zimoli), which resells them to oil companies operating in the country.

Agip (Zambia) Ltd., in which the local government owns a 50-percent share, is the second-largest company in the market, even though it only owns 17 service stations. Product sales come to about 140,000 tons per year.

In Zaire, Sozir SA, a company in which the government owns a 50-percent share, is located in Muanda. It has an average utilized refining capacity of 400,000 tons per year.

Recently Agip and state-owned company Petrozaire jointly established the Agip Zaire company, which handles product distribution in the eastern part of the country.

Engineering and Services

In addition to the traditional activities of exploration, production, and the refining and distribution of petroleum products, the engineering and service companies of the ENI group in Africa have built refineries, fertilizer manufacturing plants, pipelines, conduits, etc.

The first permanent connecting link between Europe and Africa is the trans-Mediterranean natural gas pipeline between Algeria and Sicily.

Algeria

Companies like Snamprogetti, Saipem, Nuovo Pignone, and Comerint have been involved for many years in projects of very great importance for the industrial development of the country.

Among the largest projects to date are the trans-Mediterranean gas pipeline, the refinery and installations for producing ethylene at Skikda, the textile plant at Kenchela, the onshore deep well drilling, the pumping stations at Hassi Messaoud and Hassi R'Mel, and the furnishing of turbogenerators and prefabricated units for worksites and urban settlements.

The most recent projects include facilities for the collection and processing of natural gas from Rhourde Nouss, which Snamprogetti is now operating, Saipem's assembly operations, and Turbotecnica's production of turbo-generators for future use at the electric generating stations of Hassi Messaoud and Tilyhmet.

Nuovo Pignone obtained a considerable number of contracts in 1988, including the reinjection station at Ait Kheir and the provision of telemetry and telecommunications systems. Nuovo Pignone has also signed a licensing agreement for construction of gasoline pumps in Algeria that includes the provision of pumps, assembly equipment and components, and for the provision of textile looms.

Comerint has two ongoing service contracts, one at the natural gas processing facility at Rhourde Nouss and the other at the Skikda petrochemical installation.

Libya

The most important projects to which the group has contributed include the refineries at Azzawya and Raf Lanuf, the natural gas liquefaction plant at Marsa El Brega, and the ammonia production facility. All these projects were carried out by Snamprogetti, in collaboration with Saipem (assembly) and Nuovo Pignone (provision of machinery).

Saipem is also continually working on drilling projects off the Libyan coast.

Tunisia

In the engineering and services sector, the most important projects undertaken in recent years have to do with the Tunisian segment of the 370-km trans-Mediterranean gas pipeline, in which Snamprogetti, Saipem, and Nuovo Pignone have taken part. Snamprogetti also built the sugar-processing plant at Ben Bechir.

Snamprogetti recently signed a "turnkey" contract with STIR [Tunisian Refining Company] to provide a new distilling unit—with a capacity of 3 million tons per year—for the Bizerte refinery.

Saipem is engaged in drilling activity for Shell, Agip Africa, and the American company Springfield.

Nuovo Pignone is active throughout the country in providing equipment and gasoline pumps for service stations.

Other contracts of secondary importance concern the building of vocational training centers (Saipem and Comerint); provision of photovoltaic generating systems (Italsolar); technical assistance in the conversion of Tunis's natural gas distribution network to methane (Italgas); and geological survey work for mineral deposits in central Tunisia (Aquater).

Morocco

In the engineering and services sector, the most important projects of ENI group companies have been the Mohammedia refinery built by Snamprogetti, the sugar-refining plant at Ksar El Kehir built by Coming-Snamprogetti and, more recently, Snamprogetti's feasibility study for the new Agadir airport.

Egypt

The most important contruction orders placed with Saipem, Nuovo Pignone, and Comerint between 1981 and 1987 include:

- the LAB (Linear/Alkyl/Benzene) facility at the Amereya refinery;
- the natural gas processing facilities;
- the LPG installation at Abu Madi, conduits, provision of machinery, and remote control systems;
- the vocational training center for /Petroleum Pipelines/;
- construction of an electric generating plant for Petrobel.

Angola

Comerint, a company that specializes in vocational-technical training of personnel, infrastructure installation, and services, has built the important National Petroleum Institute at Sumbe, which for some years now has been a training center for petroleum technicians throughout the countries in the SADCC [Southern AFrican Development Coordination Conference].

The company provides ongoing technical assistance in managing the Sumbe complex and in several other sectors, including agriculture, fishing, and mining activity.

Congo

The Saipem company, which in recent years built two offshore drilling platforms, will soon be building a third. In addition, Comerint and Italsolar have created a demonstration center for promoting public awareness about the uses of solar energy.

Nuovo Pignone has provided turbogenerators and remote-control systems for the Loango platforms.

Nigeria

Saipem does offshore and onshore drilling, as well as assembly work. The company recently laid the Escravos-Lagos gas pipeline (379 km in length).

Saipem has also built and put into operation two platforms in the offshore oil field of Agbara. The work has just been completed (September 1989).

The company is currently engaged in five drilling operations in Nigeria.

Sudan

In 1988 Agip Petroli completed construction of a motor fuel storage depot at Nyale and three service stations located in Port Sudan, Khartoum, and Shandi, respectively.

The company has also built a facility for the assembly of cooking stoves.

At the same time, Aquater is working for the /Sudanese Water Corporation/ (a government-owned utility), bringing water supply to rural areas in the northern part of the country.

Tanzania

At Dar es Salaam, Snamprogetti has recently built crude oil storage reservoirs and a lubricant blending plant with a 35,000-ton capacity.

Sanprogetti and Saipem have also completed the first part of a joint venture (about 70 km of conduits) to rehabilitate the Tazama pipeline going from Dar es Salaam to Ndola, Zambia.

Zambia

Aquater has finished the hydraulic engineering work for the town of Kabwe. The project calls for a water collection installation, lifting and treating of the water, construction of a 22-km aqueduct, and branching pipe to connect with the urban distribution system.

Agip Mining Zambia Ltd. was established in 1988, and before the end of the year was already participating in seven joint ventures (exploration for uranium, gold, and base metals) and another joint venture prospecting for fluorite. Agip has also acquired outright two new concessions to prospect for gold and base metals.

Public Works

For the Italian construction companies, working in Africa is a kind of "special calling." Their first major project was here on this continent: construction of the hydroelectric complex at Kariba in the northern part of what is now Zimbabwe.

As of 31 December 1988 they were operating at 192 worksites in 35 African countries; worldwide, operations were under way at 325 worksites in 79 countries, which means Africa is still quite solidly in the lead today in terms of the activities of the 16,000 construction and engineering firms that make up ANCE (Italian National Construction Association). However, although 59 percent of their contracts are located in Africa, they account for only 45 percent of the total value of contracts in hand.

In the first 9 months of 1989 Africa's primacy was reconfirmed: 8 of the 17 new contracts signed by ANCE members were in Africa, including several of importance, such as the M'Jara hydroelectric complex in Morocco. Looking to the future, a consortium of 16 private and public Italian companies—"Top-Ten"—was established recently in Tunis (cf. MTM of 28 July 1989, p 2272) to ensure that Italy is more effectively "on the scene" in Africa to compete in the bidding for major infrastructure and urban development projects.

Though the figures look good for both sides, the situation is not ideal, for either the Italian entrepreneurs or the Africans. Italian entrepreneurs worldwide suffered a 10-percent drop in the value of new contracts signed between 1987 and 1988. The decline between 1985 and 1988 was on the order of 57 percent, from 4,500 billion to 1,900 billion. The value of new contracts in Africa decreased by 8 percent between 1987 and 1988, and by 57 percent over the three previous years, as a result of the financial and especially the petroleum crisis, and also—at least according to some people—because Italian enterprises are losing their competitive edge over increasingly dynamic rivals.

One trend in the ANCE-affiliated companies (worldwide, not just in their African operations) is the increasing predominance of smaller contracts. This could have a positive effect, by encouraging small and

medium-size businesses, which are sometimes better able to adapt themselves to the African environment by means of the joint venture strategies the Italian Government is now trying to promote. Currently, about 92 percent of contracts signed worldwide by ANCE members have a consolidated value of less than 50 billion lire.

Analysis of the business activity of Italian entrepreneurs in Africa shows the clear predominance in 1988 of contracts in the roads and bridges sector; building projects and specialized engineering jobs were in second place, but far behind. Next come water supply projects and (at an almost negligible level) contracts in the sector of ports, airports, and railways. This distribution has fluctuated over the course of the decade, as shown in the annexed table. At the beginning of the 1980's, the building and specialized engineering category overshadowed roads and bridges.

In 1988 Italian companies brought in contracts for road construction in Cameroon totaling 135 billion, including 70 billion for the Mbalmaio-Ebolowa road; in Burundi (9 billion); Guinea-Bissau (13 billion); Kenya (22 billion); Nigeria (24 billion); Somalia (24 billion); Tanzania (44 billion); Uganda (57 billion); Zambia (30 billion); and above all Senegal, where Italy is participating in the integrated Casamance project (105 billion): the latter was Italy's biggest road construction contract in 1988.

But in the construction sector as a whole, 1988 was dominated by the Moroccan hydraulic contract: a project to generate electricity from the Sebou, more precisely from the Matmata falls (115 billion).

Italy is also involved in water supply projects in Algeria, in Burundi (with the building of potable water reservoirs in Bujumbura), Djibouti, Egypt, Senegal (again in the integrated Casamance project), Seychelles and Uganda. Because Italy is currently active in Tunisia, last September President Ben Ali received the president of the board of directors of the National Electric Power Agency (ENEL), who presented him with a proposal for interconnection of the Tunisian and Italian electric power grids (see MTM of 29 September 1989, p 2773).

In addition, with regard to major projects, we should note the proposed construction of four manufacturing plants for the production of basic foodstuffs in Ethiopia (44 billion).

It was in Nigeria that Italy chalked up the largest number of African projects contracted, under way, or completed as of 31 December 1988—38 in all. It is also active in highways, roads, streets and bridges, particularly with the 201-billion-lire contract it was awarded in 1989 for the third bridge connecting Lagos to the continent. Another important sector is water supply, with the Jibiya irrigation and water supply project (146 billion) awarded in 1986, the Sokolo water supply project (116 billion) awarded in 1985, and the Dadin Kowa dam (126 billion) awarded in 1981.

In second place after Nigeria is Libya, where 23 projects are under way or have been awarded to Italian companies. These contracts are mainly in the petroleum sector but are, nevertheless, generally rather small in scale. The largest project, 87 billion for improving the agricultural potential of Wadi Tanazzot, was won in 1987.

Algeria is in third place overall, with 14 projects under way or recently awarded. The fields of activity are very diverse: roads, bridges, water projects, hotels, neighborhood reconstruction in Algiers, hospitals, housing, etc. Italy is doing more here than the other outside countries in terms of large-scale projects: 332 billion for the El-Kennar-Hamma Bouziane road and the Grarem-Mila feeder road awarded in 1985, 525 billion for the new industrial-commercial port at Jen Jen (1984), the "El-Hamma" complex in Algiers (356 billion, in 1986) which includes a hotel, a library, a commercial center and parking facilities, as well as the Guenitra dam awarded in 1978 (108 billion).

In 1988 alone Italy brought in contracts in Algeria, Angola, Burundi, Cameroon, Djibouti, Egypt, Guinea, Guinea-Bissau, Kenya, Libya, Madagascar, Morocco, Mozambique, Nigeria, Uganda, Senegal, Seychelles, Somalia, Tanzania, and Zambia with a combined value of close to 900 billion lire. The projects in Cameroon, Libya, Morocco, and Senegal alone account for half the monetary value of these contracts.

Thus, in the field of construction Italy remains faithful to its tradition. It has not only been established for a long time on the African continent, but is also a formidable competitor against anyone else trying to carve out space in the sector.

African Contracts to Italian Firms 1981-88 by Sector

(in billions of current lire)

		Roads and Bridges		Railways and Subways		Ports and Airports		Water Projects		Buildings and Specialized Projects		Total Continent	
		Total	Percent[1]	Total	Percent[1]	Total	Percent[1]	Total	Percent[1]	Total	Percent[1]	Total	Percent[2]
Africa	1981	754.59	38.96	28.94	1.49	121.37	6.27	93.61	4.83	938.43	48.85	1,936.94	39.69
	1982	352.03	26.58	84.64	6.39	48.85	3.69	367.80	27.77	471.17	35.57	1,324.49	56.24
	1983	599.06	48.79	1.60	0.13	27.92	2.27	255.69	20.83	343.45	27.97	1,227.72	54.30
	1984	131.98	8.35	5.31	0.34	516.35	32.68	466.66	29.54	459.58	29.09	1,579.88	67.69
	1985	799.75	39.70	-	-	223.76	11.11	690.92	34.30	299.93	14.89	2,014.36	44.92
	1986	513.03	26.83	27.14	1.42	25.78	1.35	752.12	39.34	593.81	31.06	1,911.88	76.60
	1987	452.93	48.42	-	-	77.34	8.27	203.16	21.72	201.93	21.59	935.36	44.09
	1988	466.58	54.36	0.00	0.00	16.08	1.87	246.90	28.76	128.81	15.01	858.37	45.02
Total Africa, Average Percent		4,069.95	35.00	147.63	1.00	1,057.45	8.00	3,076.86	25.00	3,437.11	27.00	11,789.00	
World Total, 1988		564.67	29.6	23.66	1.20	35.81	1.80	571.99	30.00	710.52	37.20	1,906.55	

1. Percent of continental total.

2. Percent of worldwide total.

* Automobile Industry

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[Article: "Automobiles"]

[Text]

Fiat

Although people always think of Fiat as the great Turinese automobile maker, Fiat Auto's production is actually only one part (admittedly more than half) of the business activity carried on by the Fiat Spa consortium. Fiat Auto's turnover in 1988 was Fr87 [francs] billion, about 55 percent of the group's total turnover of Fr157.2 billion.

Of course, in recent years Fiat Auto has put the lion's share of its efforts into the European market. All the same, it has not abandoned Africa, and for an important reason: to protect its position worldwide and to maintain a presence for the sake of its present and future clientele.

"La Fiat" has marketing offices in nearly 25 African countries, about half of the continent:

- in North Africa: Algeria, Morocco, Tunisia, Libya, and Egypt;
- in sub-Saharan Africa: Mauritania, Senegal, Ivory Coast, Togo, Ghana, Gabon, Angola, Zaire, Rwanda, Burundi, Ethiopia, Kenya, Malawi, Zambia, Zimbabwe, Madagascar, Reunion, and the isle of Mauritius.

In addition it has assembly plants located in Algeria, Egypt and Zambia.

Iveco

Iveco, the Turin-based truck manufacturing company, billed itself as the pacesetter in European technology by virtue of the complementarity of expertise contributed by the four truck builders that merged in 1975 to create it: Fiat, Magirus, UNIC, and OM.

Nearly 14 years later, the numbers show the results of that merger: in the market for vehicles weighing 3.5 tons or more, Iveco has become Europe's largest exporter to non-European countries, with nearly 15,000 vehicles delivered in 1988.

Iveco continues to put special emphasis on Africa, despite the many problems besetting the continent: in 1988 it was still the biggest European exporter of the range of vehicles in which it specializes, and its exports there surpassed its sales in Latin America and Asia.

Its activities are concentrated basically in nine countries: Algeria, Tunisia, Libya, and Egypt in North Africa; Ethiopia, Kenya, Nigeria, Zaire, and South Africa in sub-Saharan Africa. Its operations are carried out by means of:

- sophisticated joint manufacturing ventures in Algeria, Libya, Ethiopia, and Zaire, with Iveco keeping its own assembly plant in the last two countries;
- marketing arrangements with local partners for the sale of its vehicles in Tunisia, Egypt, Kenya, and South Africa.

Looking toward the future, Iveco executives have two predictions: the markets in North Africa and the Maghreb, in particular, will grow to considerable importance, while, in general, over the rest of the continent the public transportation sector will provide more and more opportunities.

So Iveco is determined to stay in Africa and protect its position and business ties; in fact, it is even expanding in a significant way, by building its first assembly plant in Algeria.

* Trade Figures Published

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[Article by Benedicte Chatel: "Trade"]

[Text] Italy has been among Africa's top four trade partners for many years. Looking at the figures over the last 10 years, it seems clear Italy will have to resign itself to staying in fourth place among exporters to Africa, behind France, the FRG and the United States. On the other hand, over the years it has oscillated between third and fourth place in imports, behind France and the United States but ahead of the FRG.

Though the Italian authorities are now interested in intensifying their cooperation activities, Africa's share in terms of trade is declining. Perhaps these two facts are not unconnected. In fact, one can see that between 1985 and 1988 Italian imports from Africa dropped by almost half, with the most dramatic decline between 1985 and 1986, a period when the dollar fell by more than 30 percent, affecting oil prices among other things.

The same trend—though attenuated—showed up in Italian exports to Africa (as denominated in Italian lire), which declined about 30 percent in value.

Among Italy's trading partners, Africa is in fourth place after Europe, Asia, and America. In recent years Italian trade with the EEC and especially Japan has increased sharply.

Over the long term, one trend remains constant: Italy has a structurally negative trade balance with the African continent as a whole. In terms of bilateral trade, Italy's largest trade deficits in 1987 and 1988 were with South Africa and Namibia (2,010.3 billion lire in 1988), Libya (1,674.6 billion), and Algeria (1,022.8 billion). Smaller deficits were recorded in trade with Egypt (318 billion), Ivory Coast (253 billion), Zimbabwe (115.3 billion), and Zambia (102 billion).

Italy's trade surpluses on the continent were much less impressive: in 1988 the largest was in its commercial relations with Ethiopia (261 billion), followed by the Canary Islands (248.2 billion), Nigeria (where the surplus jumped from 6 billion to 150 billion between 1987 and 1988), Mozambique (125 billion), and Reunion (64 billion).

Although one cannot really call it a reversal of trading patterns, there has been considerable change in commerce with certain countries. Between 1987 and 1988 Italy's trade deficit with Zaire dropped from 130 billion to 47 billion; the deficit with Liberia from 168 billion to 81 billion; and the deficit with Guinea from 48 billion to 14 billion. On the other hand, the surplus with Somalia fell from 145 billion to 45 billion, while the 4-billion surplus with Mauritius became an 8-billion deficit.

The third general trend that can be discerned is the special character of the commercial—as well as other—relations between Italy and North Africa.

In 1988 Libya was once again Italy's biggest trading partner: more than 23 percent of the commercial flow between Italy and the continent was with Libya, whose trade with Italy in goods came to more than 4,900 billion lire, which put Libya far ahead of South Africa and Namibia (imports and exports totaling 3,600 billion in 1988), Algeria (3,123 billion), Egypt (2,313 billion), Tunisia (1,229 billion)—all countries on which Italy hopes to focus its efforts to expand Italo-African cooperation—as well as Morocco (673 billion), and Nigeria (636 billion).

Thus, the five countries of North Africa accounted for more than 58 percent of the trade between Italy and Africa in 1988. If one adds in the Republic of South Africa, the figure comes to 75 percent, which reflects the high concentration of Italy's African trade in a small group of countries.

Principal Trading Partners

Libya is at the top of the list. In recent years its trade relations with Italy have zigzagged, with Libya often subjecting its payments and currency transfers to the vicissitudes of its policy toward Italy.

Both imports and exports showed excellent growth in 1988. In 1987, 97 percent of Libya's sales to Italy came from oil and oil derivatives; in 1988 that figure was down to 90 percent, which though still very high left room for sales of wool, fresh and frozen fish, cotton, furs, paper and cardboard, and nonferrous minerals.

In second place after Libya comes the Republic of South Africa (including Namibia) at 2,823 billion, a figure which has been growing every year. Between the first half of 1988 and the first half of 1989 exports from South Africa and Namibia grew by more than 43 percent. The largest category in 1987 was gold, silver, and platinum (581 billion lire). Next came coal and other mineral products (220 billion), and finally skins and wools.

Not far behind South Africa comes Algeria, Italy's third-largest African supplier, with the value of sales in the first half of 1989 up 45 percent over the first half of 1988. Algeria's main exports were petroleum (21 percent), natural gas (6 percent), and products lumped in the category of "other nonmetallic minerals"—including

phosphates—which altogether accounted for more than half (62 percent) of total sales to Italy.

Also in 1988 there was a modest but definite upsurge in other exports such as vegetables, fish, olive oil, cotton fabric, and pulp, etc...

Egypt is still in fourth place with sales to Italy totaling 1,316 billion lire in 1988, about the same level as in 1987 but drastically down from 1985 (3,057 billion), primarily because of fluctuations in the dollar and oil prices. But in 1989 things seem to be looking up for Egypt, as sales to Italy in the first half of the year are up 50 percent over the same period the previous year.

In 1988 crude and refined oil made up 75 percent of Egypt's exports to Italy, with the remainder composed in part of agricultural products (vegetables, fruit) but mainly cotton, both raw and processed.

Nigeria, formerly in fifth place, has been overtaken by Tunisia, a country on which Italy is focusing a great deal of effort: Italian purchases from Tunisia grew by 21 percent between 1987 and 1988, and by 48 percent between the first halves of 1988 and 1989. In 1988 they reached 625 billion, almost back up to the 1985 level of 633 billion, having fallen to 457 billion in 1986. Italy is in second place among Tunisia's trading partners, just behind France (see MTM of 1 January 1988, p 19).

In 1988 crude oil accounted for 32 percent (more than 40 percent in 1987) of Tunisia's exports to Italy, fresh and frozen fish for 13 percent, and olive oil for 14 percent (compared to 7 percent in 1987). Other exports included phosphate derivatives, and raw and processed cotton.

Morocco's sales to Italy grew by more than 34 percent between 1987 and 1988, but similar growth does not seem in the cards for 1989, as figures from the first half of the year show an increase of only 8 percent over the comparable months of 1988. In that year one-fourth of the flow of goods to Italy consisted of fresh, frozen and prepared fish; phosphates accounted for 8 percent, vegetables for 6 percent, raw and processed cottons as well as clothing, scrap iron and woolen articles represented a smaller but not insignificant portion.

Then comes Ivory Coast, whose exports to Italy in 1987 included coffee (35 percent), cocoa (3 percent), and raw cotton (5 percent), along with cotton garments, fruits, and fish.

Nigeria, which was in fifth place in 1984, has dropped to eighth, with 243 billion lire [of exports to Italy] in 1988, down 40 percent from 1987. That year crude oil accounted for 88 percent of its exports, while raw and tanned skins accounted for another 8 percent.

Principal products

Hydrocarbons accounted for more than half (57 percent) of Italian imports from Africa in 1987. Petroleum and petroleum derivatives alone accounted for 48 percent of Italian purchases, or about 5,000 billion lire.

Purchases of raw and processed metals such as aluminum, lead, copper, zinc, nickel, mercury, silver, gold, platinum, etc., came to 800 billion lire in 1987, accounting for about 9 percent of African sales. The principal suppliers continued to be South Africa, Zimbabwe, and Zambia.

Coffee was third in order of importance. In 1987 Africa sold Italy more than 125,000 tons of it valued at about 454 billion lire. The three main suppliers were Zaire (45,920 tons), Ivory Coast (38,490 tons) and Cameroon (20,600 tons). Italian coffee imports from other sources, including its largest supplier, Brazil, amounted to nearly 138,000 tons in 1987.

Next come chemical derivatives, purchases of which totaled 275 billion lire in 1987. North Africa accounted for 77 percent of this total, primarily as a result of purchases of Moroccan phosphates.

Fish and then wood represent the other major product categories: North Africa sold 137 billion in fish to Italy in 1987, with Morocco and Tunisia accounting for 125 billion of it.

Africa exported 174 billion in wood to Italy in 1987, nearly 50 percent of it coming from Ivory Coast and Cameroon.

After wood come raw and tanned skins (132 billion in 1987), the main suppliers of which are South Africa, Nigeria, Ethiopia, Kenya, and Somalia.

Finally, one must note the growing importance of tropical fruits: Italian purchases in this line came to 69 billion lire in 1987, the primary vendors being (in order of sales volume) Somalia, Ivory Coast, and Tunisia.

Italian Exports to Africa: Monopoly of Manufactured Articles

What is true of the geographic distribution of Italian imports is also true of Italy's exports to Africa: in the first half of 1989 56 percent of Italy's sales to Africa were concentrated in the five North African countries, compared to 60 percent for the corresponding period in 1988. The percentage was 56 percent for all of 1988, compared to 57 percent in 1987.

Libya is once again in first place: its imports from Italy increased by 13 percent between 1987 and 1988, but declined 11 percent between the first halves of 1988 and 1989. Over the medium term, between 1985 and 1988, they have dropped by 32 percent in value.

Automobiles and spare parts account for nearly 10 percent of Libyan purchases. But the largest single category is "other machinery and nonelectric equipment," a heading under which it is difficult to distinguish between goods used for military versus civilian purchases.

Algeria, in second place, imported Italian goods worth more than 1,000 billion lire in 1988, just slightly up (4.6 percent) over purchases in 1987. However, statistics

from the first two quarters of 1988 and 1989 show a 58 percent-increase. In addition to the traditional industrial products that account for most of Italy's exports to Africa, Algeria's purchases included food products such as wheat, flour, vegetable oils, yarn, etc....

Egypt's imports from Italy have increased marginally over the last few years: up 1.5 percent between 1987 and 1988, and 2.4 percent between the first halves of 1988 and 1989. Once again the category of "other machinery and nonelectric equipment" accounts for nearly 12 percent of the total value of the imports, over and above specifically itemized manufactured articles. In the category of primary and agrofood products, we find tobacco, flour, wheat, sugar, vegetable oils, and artificial and synthetic textile articles.

South Africa's imports from Italy increased by more than 38 percent between 1987 and 1988, and by nearly 10 percent between the first halves of 1988 and 1989. Machinery for the textile industry and transport items (vehicles, spare parts) accounted for much of the sales. Other imports included plastic materials, and artificial and synthetic fibers.

Tunisia is in fifth place, having purchased 604 billion in Italian products in 1988, a 17-percent increase over 1987, which seems almost mediocre compared to the more than 40-percent growth between the first halves of 1988 and 1989. In the category of agrolivestock products, we note the prominent position in 1988 of wheat and olive oil (more than 18 billion each). Thread and artificial and synthetic fabrics were also important (about 35 billion). But once again, the lion's share of imports appeared in the categories of electric and nonelectric machinery, vehicles and spare parts, artificial plastic materials, and petroleum products.

Nigeria's imports from Italy continue to decline: they ebbed 5 percent between 1987 and 1988, and fell 28 percent between the first half of 1988 and the first half of 1989. The largest single category (17 percent) was ships and maritime spare parts. In addition to the articles Italy most commonly exports to Africa, one can also point to telecommunications equipment, surgical instruments, and iron and steel sheet metal.

Next in order of importance come Morocco, Ethiopia, and the Canary Islands, among countries whose annual imports from Italy exceed 200 billion lire.

Products Exported

More than half (52 percent in 1987) of Italy's total exports to the African continent consisted of mechanical manufactured articles, primarily machinery and miscellaneous equipment. Within that category, spare parts for nonelectric equipment were in first place, Italian sales amounting to 453 billion lire in 1987.

The chemical industry is in second place (1,118 billion in 1987), including plastic and synthetic materials (213 billion), light petroleum (153 billion), and pharmaceutical products (101 billion).

Next comes transport equipment, which was in second place in 1986: it accounted for 10 percent of Italy's exports to Africa in 1987. Sales of vehicles and spare parts for them amounted to 265 billion and 288 billion in 1987, respectively.

Italy's exports of food products to Africa brought in 554 billion in 1987, more than 25 percent of which was in cereal flour, followed by preserved foods, rice, and vegetable oils.

Finally, we find metallurgical products, which accounted for 6.8 percent of the total. Leading exports in this category, in descending order, are iron and steel sheet metal, silver, gold, platinum, and "miscellaneous" articles for the iron and steel industry.

Italian Imports From Africa

(1987 - billions of lire)

Agro-Livestock Products	1,264
agricultural products	791
(North Africa)	(123)
Of which:	
coffee	454
raw cotton	167
meats	276
forest products	174
fish products	269
(North Africa)	(138)
Extractive Industries Products	5,832
metallic minerals	135
other mineral products	5,696
Of which:	
oil	4,107
(North Africa)	(3,448)
Manufactured Articles	3,048
food products	285
for human consumption	143
for other than human consumption	142
beverages	31
tobacco industry	-
skins and leather	132
textiles	138
clothing	67
(North Africa)	(51)
wool industry	135

Italian Imports From Africa (1987 - billions of lire) (Continued)	
paper industry	46
(South Africa and Namibia)	32
metallurgic industry	1,034
(South Africa and Namibia)	(714)
(North Africa)	(115)
(Zambia - copper articles)	(100)
engineering	49
machinery and equipment	26
precision machinery	2
transport	17
(North Africa)	(10)
miscellaneous	3
nonmetallic mineral processing industry	5
chemical industry	1,132
organic and inorganic chemicals	275
(North Africa)	(213)
oil derivatives and other minerals	849
(North Africa)	(826)
synthetic textiles and fibers	7
india rubber industry	1
miscellaneous	17
Total	10,145

Italian Imports and Exports To and From Africa

(millions of lire)

	Imports		Exports	
	1987	1988	1987	1988
Algeria	2,306,249	2,073,272	1,003,140	1,050,474
Angola	136,197	53,207	85,033	83,188
Benin	16,593	2,894	28,513	38,446
Botswana	10,023	7,428	32,040	3,648
Burkina Faso	5,351	8,771	25,200	15,868
Burundi	5,855	3,553	12,115	17,145
Cameroon	198,676	187,785	94,253	88,319
Canary Islands	14,261	9,195	183,512	257,417
Cape Verde	678	248	5,577	8,711
Central African Republic	8,520	13,998	2,920	3,149
Ceuta	2,071	10,316	19,107	16,210
Chad	1,453	4,062	15,149	6,051
Comoro Islands	132	640	1,132	1,763
Congo	115,646	24,933	38,464	61,867
Djibouti	2,530	2,599	17,449	17,055
Egypt	1,307,317	1,316,097	982,758	997,934
Equatorial Guinea	6,427	9,499	8,559	8,622
Ethiopia	51,043	47,937	237,650	309,700
Gabon	43,140	31,113	26,149	33,361
Gambia	1,208	1,477	20,314	12,569
Ghana	30,056	45,773	50,366	45,018
Guinea	75,685	46,676	27,542	32,068
Guinea-Bissau	239	523	11,251	24,347
Ivory Coast	363,466	366,784	141,972	113,626
Kenya	57,644	68,407	84,232	136,254
Lesotho	1,113	826	251	806

Italian Imports and Exports To and From Africa

(millions of lire) (Continued)

	Imports		Exports	
Liberia	187,101	126,271	18,977	44,468
Libya	3,083,485	3,306,976	1,441,750	1,632,299
Madagascar	24,550	23,269	14,452	30,311
Malawi	393	675	9,807	10,250
Mali	2,198	3,168	25,773	36,487
Mauritania	97,796	75,275	25,040	18,549
Mauritius	33,224	48,062	37,231	39,455
Morocco	238,548	321,368	307,118	352,171
Mozambique	1,272	862	119,571	125,875
Niger	2,580	2,987	15,762	21,792
Nigeria	405,774	243,437	412,097	393,925
Rwanda	6,442	8,789	13,492	13,635
Sao Tome	95	549	1,067	5,110
Senegal	44,076	43,322	77,112	58,980
Sierra Leone	10	747	3,930	8,812
Somalia	44,945	53,178	189,954	99,521
South Africa/Namibia	2,313,485	2,823,895	588,933	813,550
Sudan	90,251	112,556	97,443	120,888
Swaziland	4,971	5,209	2,785	7,831
Tanzania	20,248	33,568	100,453	92,853
Togo	23,313	20,079	25,450	28,361
Tunisia	514,418	625,246	516,572	604,319
Uganda	16,171	23,677	76,693	41,465
Zaire	240,620	210,397	110,482	163,346
Zambia	107,302	146,565	21,880	44,550
Zimbabwe	116,406	145,361	23,480	30,036
Total	12,381,247	12,743,491	7,431,952	8,222,455
Worldwide Total	161,596,640	180,064,049	150,454,324	167,189,222

Italian Exports to Africa

(1987 - billions of lire)

Agro-Livestock Products	54
agricultural products	45
(North Africa)	(33)
Of which:	
tobacco	14
corn	11
meats	7
Extractive Industry Products	20
metallic minerals	1
other mineral products	18
Manufactured Articles	6,927
food products	554

Italian Exports to Africa

(1987 - billions of lire) (Continued)

for human consumption	501
for other than human consumption	45
beverages	6
tobacco industry	-
skins and leather	24
(South Africa and Namibia)	(10)
(North Africa)	(9)
textiles	251
(North Africa)	(174)
clothing	161
wool industry	151

Italian Exports to Africa (1987 - billions of lire) (Continued)	
(North Africa)	(100)
paper industry	16
graphic industry	19
photo-cinema industry	5
metallurgic industry	483
Of which:	
iron and steel sheet	154
miscellaneous products	152
silver, gold and platinum	123
engineering	3,660
machinery and equipment	2,142
(North Africa)	(1,213)
Of which:	
telecommunications	218
electric	105
"miscellaneous"	614
spare parts	453
precision machinery	168
transport	740
(North Africa)	(302)
Of which:	
spare parts	288
vehicles	277
miscellaneous	609
mineral processing industry[1]	174
chemical industry	1,118
(North Africa)	(429)
Of which:	
oil derivatives and other minerals	417
synthetic textiles and fibers	48
india rubber industry	72
miscellaneous	234
Total	7,001

1. Excluding coal and oil.

Italian-African Trade January-June 1988-1989 (millions of lire)				
	Imports		Exports	
	1988	1989	1988	1989
Algeria	1,031,282	1,496,447	469,797	744,388
Angola	22,609	4,981	31,788	42,125
Benin	2,348	6,487	24,979	9,652
Botswana	3,675	3,032	839	910
Burkina Faso	4,403	4,571	7,500	17,086
Burundi	1,626	2,793	12,189	4,916
Cameroon	98,768	106,512	39,483	52,332
Canary Islands	4,455	4,129	107,782	129,835
Cape Verde	37	402	6,291	2,268
Central African Republic	5,665	5,872	1,878	2,212
Ceuta	9,769	4,474	6,099	6,134
Chad	2,300	1,949	2,792	8,544
Comoro Islands	564	31	869	741
Congo	9,121	18,335	49,252	21,181
Djibouti	1,363	1,089	7,498	12,508
Egypt	594,630	901,566	476,221	487,716
Equatorial Guinea	5,895	4,314	2,230	5,422
Ethiopia	23,986	32,015	169,109	119,736
Gabon	16,294	18,828	18,163	12,634
Gambia	725	1,417	5,572	8,152
Ghana	25,535	14,529	20,354	31,511

Italian-African Trade January-June 1988-1989

(millions of lire) (Continued)

	Imports		Exports	
Guinea	17,610	31,122	17,191	11,140
Guinea-Bissau	345	-	10,363	9,348
Ivory Coast	198,339	192,716	57,382	72,605
Kenya	32,626	39,257	59,471	79,776
Lesotho	763	481	223	100
Liberia	73,606	68,516	26,568	31,079
Libya	1,597,041	1,866,429	845,785	748,548
Madagascar	13,174	11,444	19,035	10,959
Malawi	320	1,033	2,290	5,111
Mali	2,371	2,877	19,296	13,373
Mauritania	37,357	53,309	9,624	11,492
Mauritius	19,476	27,900	16,901	20,506
Morocco	152,221	165,228	166,432	233,784
Mozambique	317	386	59,924	29,077
Niger	1,346	1,182	8,121	12,227
Nigeria	115,055	332,372	241,806	173,891
Reunion	43	117	29,586	41,020
Rwanda	4,237	3,629	6,355	5,497
Sao Tome	307	276	100	18,711
Senegal	21,943	41,393	28,785	34,647
Seychelles	47,750	39,365	2,758	4,970
Sierra Leone	525	958	2,549	7,119
Somalia	29,605	22,200	44,887	60,028
South Africa/Namibia	1,226,108	1,762,776	37,442	405,330
Sudan	54,786	53,953	63,204	63,947
Swaziland	1,587	2,399	395	2,425
Tanzania	15,456	16,254	40,851	78,527
Togo	5,452	23,676	16,286	11,598
Tunisia	230,274	342,450	268,465	379,849
Uganda	12,656	12,457	17,355	17,696
Zaire	109,791	96,576	53,357	111,671
Zambia	66,881	93,086	17,228	13,327
Zimbabwe	49,004	85,949	10,484	22,473

* Editorial Endorses 'African Perestroyka'

90EF0173A Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 Dec 89 p 3575—FOR OFFICIAL USE ONLY

[Editorial: "African Perestroyka"]

[Text] On Thursday 7 December in Cotonou, the Beninese Government, the Central Committee of the People's Revolution Party of Benin (PRPB), the country's sole political party, and the Standing Committee of the National Revolutionary Assembly (ANR), having been convened by President Kerekou, renounced the Marxist-Leninist ideology that the former Dahomey had adopted on 30 November 1974.

As of today, this is the clearest sign of an African perestroyka of whose appearance there have been several signals. Besides, it would have been astonishing if Africa had not reacted to the movement sweeping the socialist countries of Europe, since in recent months we have been witnessing the numerous effects of Mr. Gorbachev's new policy and since this policy can be characterized, on the continent of Africa, by a marked disengagement on the part of the Soviets.

In Benin, the abandonment of Marxism by a regime that had only adopted it as an official ideology two years after Colonel Kerekou's coup d'etat (which took place on 26 October 1972) was a stronger possibility than could have been expected in other countries. Indeed, it is difficult to see the Congo or Ethiopia renounce a doctrine that was imposed in those two states by the progressive logic of revolutionary events themselves rather than by a deliberate choice on the part of leaders of the movement. Furthermore, this turnaround in former Dahomey is taking place under very sensitive political and social conditions, with a crisis looming since last year. What we see here is a type of rescue operation of the ruling class, in a very oppressive atmosphere.

Reforms "that would serve to spur private-sector promotion and the spirit of enterprise" have been promised in Benin for the first quarter of 1990, under pressure from international lenders. Nevertheless, it is not certain that the current government has the time to prepare for them.

Violent demonstrations occurred in Cotonou on 11 December. The Communist Party of Dahomey (PCD), which has been banned, was not afraid of issuing calls for mobilization against the government, and these calls were answered by thousands of people in the country's major cities. The orders given to the security forces by the chief of state were very firm ones, as had been the case at the beginning of this year when there were demonstrations in Porto Novo. There were at least two deaths among demonstrators, some of whom were youths running wild.

What is certain is the fact that Dahomey, once known for the quality of its elites, has escaped chronic post-independence political instability only to fall under a military dictatorship. But the rough stability in what became Benin has not allowed the economy to develop, to the degree that all initiative was stifled by government constraints if such initiative were to manifest itself outside of a very active informal economic sector whose magnitude owed much to its proximity to the vast Nigerian market. Despite the quality of its people and the variety of its trade, Benin became the first country in the [CFA] franc area whose banking sector experienced a total collapse. The state can no longer pay its officials. There is general discontent. What remains of an exhausted regime is only the product of fear, given the military's utter rigidity, this despite a willingness to open up towards Western governments and businessmen that has been visible for the past few years.

Thus the drama now unfolding in Cotonou, perhaps for the first time in French-speaking Africa, is the truly political expression of a generalized crisis of institutions and society, in a country stifled as much by a lack of individual liberties as by bad financial and economic management.

From such a revealing example, it might be thought that the wind of liberty that is blowing so strongly over Eastern Europe will soon reach Africa as well.

The fact is that many voices have been raised in recent years calling for a greater respect for human rights or for better access to democracy in Africa. These issues were officially examined at the most recent Francophone summit meeting last May in Dakar, at which most of the African chiefs of state participated.

However, prudence dictates that we attentively observe the African political scene before concluding in favor of generous but as yet unrealized wishes.

For quite some time already, Marxist states in Africa have begun to evolve in the direction of liberalizing their economies, even if this move is more often stalled at the level of intentions.

But political liberalization and democratization in the usual Western sense of the term are making very little progress on a continent that quickly and massively adopted the single party solution as the continent drastically altered the constitutional models proposed by the decolonizers. Even this movement has not been completed, inasmuch as in Zimbabwe, the recent merger of the country's two main parties will probably lead to the creation of a single institutionalized party next year.

Signs of weakness by single party systems are still rare: Very few African states practice multiparty systems, with Senegal or Botswana frequently being cited more as exceptions than as models. In Cameroon, Mr. Biya, who had been attracted to a multiparty system at the beginning of his term as president, had to give up on the idea. In Gabon, President Bongo at the beginning of this year began a dialogue with the opposition, but the reaction by the leaders of the sole party seems to be encouraging him to remain firm on the issue of a single party, a system he put in place in 1968 and that is enshrined in [the country's] constitution. Mauritian democracy, which operates robustly amid political crises or various scandals, is tied to a special history and to habits that seem unable to transplant themselves easily to the African continent. The Malagasy multiparty system is still controlled by the overall revolutionary process and by those who are still in charge of it. Only Guinea, where the single party, like all other political groups, disappeared with Sekou Toure, appears to be moving, under a military president, in the direction of a renewed political life that has a democratic spirit.

Recent events in the Comoros remind us of the fragility of many African states, where power is still held at the rifle's end, as the old saying goes, this power no longer having anything revolutionary about it but fully preserving its oppressive power: A handful of soldiers is enough to keep a people in check.

In this way the situation in Africa is not comparable to that in Eastern Europe or even in China. Democratization, which we increasingly associate with conditions indispensable to the appearance of economic development (despite examples to the contrary in Asia or Latin America), will appear in Africa only when its peoples truly want it in the depths of their souls.

* Airspace Control Agency Head on Restructuring

90EF0159A Paris JEUNE AFRIQUE in French 27 Nov 89 pp 40-41—FOR OFFICIAL USE ONLY

[Interview of Maurice Rajaofetra, General Manager of ASECNA, by Zyad Limam in Dakar; date not given]

[Text] Maurice Rajaofetra is almost a happy man. This smiling, relaxed, 49-year-old native of Madagascar has the good fortune to manage ASECNA (Agency for Air Security and Navigation in Africa and Madagascar).

The agency, which was founded 12 December 1959 in Saint Louis, Senegal, has, in fact, done a good job of fulfilling its role of ensuring the technical security and regular schedule of flights in the space it manages (15 million km^2).

The 6,000 ASECNA agents (1,300 of whom are in administrative positions) are basically responsible for forecasting and transmitting weather data, ensuring communications with aircraft, air control, flight information, and the maintenance of civilian airport facilities.

The situation has not always been so encouraging. At the end of 1986, ASECNA's financial situation was anything but bright and the agency's main customer, Air Afrique, had the nasty habit of not paying its bills.

The agency has managed to climb back up again as a result of an improvement in the situation of the African multinational and more vigorous management under French President Philippe de Maistre and Maurice Rajaofetra.

ASECNA, essentially a French-speaking agency with the sole exception of Equatorial Guinea, is made up of 15 African member states plus France. In July 1988, the agency's committee of ministers approved an ambitious program of rationalization and modernization.

To implement this program, the general manager, Maurice Rajaofetra, was given important decisionmaking powers. An engineer by training, Maurice Rajaofetra was not lacking in experience. The general manager of Air Madagascar from 1974 to 1986, he succeeding in making it into a Malagasy company and in modernizing it.

Well-known and highly regarded in international aviation circles, on 1 January 1987 he was appointed to a six-year term. Halfway through his term of office and several days away from the meeting of the agency's committee of ministers on 29 and 30 November in Dakar, he brought us up-to-date on the reforms undertaken.

[JEUNE AFRIQUE] You are in the process of setting up new structures at ASECNA, in accordance with the decisions made by the committee of ministers in Cotonou in July 1989. What are the main features of this reform?

[Rajaofetra] It is important to remember that it was a completely voluntary decision made by Africans to enhance the effectiveness of one of their working tools, ASECNA. At the start of 1989, with the agency's financial situation under control, there could have been a temptation to go to excess. The agency's committee of ministers did just the opposite. Take an important indication, the number of directors in the agency. Under the former organization, there were 15 or 16. The committee of ministers decided to reduce the number to five or six. This is an important reversal in the way Africans manage their affairs.

[JEUNE AFRIQUE] But who is going to choose the new directors?

[Rajaofetra] We have selected a Swiss recruiting firm, which is international in nature. This firm will be responsible for examining the applications of candidates. I will intervene at the very end to try to ensure a geographical balance among the directors. But it is clearly understood that member states will not all be represented by a director. Competence will be the most important factor.

[JEUNE AFRIQUE] Are the positions of the current directors of the agency also at stake in this?

[Rajaofetra] Absolutely. Anybody can apply. The current directors as well as outside people. We are quite simply looking for the best in Africa.

[JEUNE AFRIQUE] Is there a financial side to this reform of the agency?

[Rajaofetra] There will certainly be financial implications, if only by reason of the decreased number of directors. So there will be a reduction in the agency's structural costs.

[JEUNE AFRIQUE] Did Paris press for the reorganization of the agency?

[Rajaofetra] I think quite frankly that Africans realized that they needed to take the lead in restructuring ASECNA. They were not forced to do so by any national institution or by France. France is a member country on the same footing as the others. No more. With one difference, however, and that is that France has not given over its airspace to be managed as the other 15 African states have, but it does participate financially in the agency.

[JEUNE AFRIQUE] ASECNA is trying to expand its field of action...

[Rajaofetra] Certainly. The main thing is first to strengthen its structures, from both a human and a financial standpoint. When that is done, we are going to open up to other countries, whether they are English, Spanish, or Portuguese speaking.

[JEUNE AFRIQUE] Is the long-term dream to have a unified African airspace?

[Rajaofetra] Of course. Even Europe today would like to move in the same direction as ASECNA. Look at the Balkanization of air control in Europe. That is costing the airlines a great deal. For once, Africa is ahead of the rest of the world. ASECNA has made it possible to realize savings in the management of airspace. All the countries do not need to have the same equipment.

[JEUNE AFRIQUE] In the future will you still be a technical agency, or are you planning to reinforce your commercial activities, such as airport management?

[Rajaofetra] Up to now, ASECNA has been only partially financed by its customers, the airlines. Member countries still contribute to the budget. We believe that in the future the agency should evolve so that it is no longer a financial burden on member states. On the contrary, users should be responsible for the operations of the agency. It is in this sense that we are going to strengthen our commercial activities.

[JEUNE AFRIQUE] Is there a potential conflict between the multinational structure of the agency and its commercial development?

[Rajaofetra] I don't think so. As I told you, in the long run the agency should no longer represent a burden for member countries. In these circumstances, there is no possible conflict.

[JEUNE AFRIQUE] What would be your greatest satisfaction as general manager of ASECNA?

[Rajaofetra] To be able completely to forgo the contributions of member states. And finally, for competent Africans to take their agency into their own hands.

[JEUNE AFRIQUE] If you reduce the contributions of member countries, will they lose their control over ASECNA?

[Rajaofetra] Not at all. In any case, we operate on the basis of a delegation of power of the member countries. The airspace remains under the sovereignty of the states. Hence a reduction in their dues cannot limit their powers.

[JEUNE AFRIQUE] How have you managed to get ASECNA's committee of ministers to give you such extensive powers in the area of reorganization?

[Rajaofetra] I think that I have the powers of a general manager worthy of that title. The manager did not have this responsibility before. Today he does. Before the general manager could not make the decision to dismiss an agent. Today he can.

Member states have become aware of the fact that there are competent people in Africa and that we need to give them a chance to straighten out African affairs. The countries have marked out the course. Now it is up to the manager to find the way and attain these objectives. For me, the issue is clear.

Cameroon

* Civil Service Cuts Delayed for Political Ends

34000168A London WEST AFRICA in English 20-26 Nov 89 p 1930—FOR OFFICIAL USE ONLY

[Article by Jonathan Derrick: "Battling With the Budget"]

[Text] The economic crisis which has preoccupied Cameroon since 1987, and led to an agreement with the IMF in 1988, has had a major effect on external trade and payments and internal budgeting. President Biya, in his speeches on the subject, has stressed the fall in revenue from exports, especially oil, as a cause of crisis. Remedial measures such as cuts in government spending have been stressed, for in fact the problem has been less with the external trade balance than the excess of government spending over revenue. This is due in part to falling oil revenues and the spending of almost all of the Extra Budgetary Account (CHB). Among government expenditure, the costs of the enlarged civil service have rightly been highlighted.

Plenty of action has been taken against waste, inefficiency and malpractice; the civil service had a great deal of fat to lose. But Biya's government has not dared to resort to large-scale retrenchment. It has also been slow to carry out its programme to cut the severe losses on parastatals, and one reason must surely be the effect on employment, as many could never be made viable.

Without going into details of the economic crisis and the measures taken (they have been extensively reported in WEST AFRICA), it is necessary to look briefly at how Biya's government has handled it. It is certainly not to blame for the fall in oil prices, which began in 1982 and has continued since. Those tempted to contrast the good housekeeper Ahidjo and the spend-thrift Biya should remember this, and also remember the pressures which forced Biya to enlarge the civil service by mass recruitment. Certainly the use of the CHB to finance that mass recruitment was contrary to orthodox economic sense; the IMF must consider it a serious sin. But how many Cameroonians really see this as a fault? Many more, probably, think Biya did not increase public service recruitment enough.

The economic crisis shows that even a dictatorial government, and one whose president is very much in charge of the show (Biya can be as personally autocratic as Ahidjo on occasion), would eventually have had to face the problem of the army of unemployed graduates. Biya probably did go too far in adding to the government payroll when revenues were already falling; now the options open are limited. One significant suggestion on this subject was made by Biya: that Cameroonians should cease to think only of government service, but should try to run businesses instead. The implication is clear enough, but the words were probably wasted, and not because of the government's failure to encourage Cameroonian private enterprise sufficiently, though that has been one of its failures which it is now attempting to rectify.

For a year Biya opposed resorting to the IMF voicing many of the traditional African criticisms of the fund's conditionality. But eventually an agreement with the Fund was signed and an IMF credit of 115.9m SDR agreed (Sept. 1988), followed this year by a $150m World Bank Structural Adjustment Loan. This does not mean that the IMF and World Bank intervention which Biya feared will not happen. They will certainly press for more government spending cuts, at least. Already the World Bank has insisted on a very strange drastic measure, a major reduction in the producer price for cocoa (from 420 CFA francs per kg to 250).

The aim is presumably to make it easier to reduce the export price and so increase exports [phrase indistinct] one country cannot devalue for that purpose. But that aim may not be achieved and meanwhile cocoa farmers will see it thoroughly discouraged, after years of efforts under Ahidjo and Biya to encourage production by incentive producer prices which were successful in maintaining production for cocoa and coffee and raising it for cotton. Ethno-analysis will note that the cocoa farmers in Cameroon are nearly all among the Beti and related Bulu peoples.

There is no end in sight to the fall in world prices for cocoa, coffee and cotton, and for Cameroon's main export, oil. Trade surpluses have been dwindling and deficits may be in sight, despite rises in import duties to discourage some imports. The external debt is over $US3bn, and only a major rescheduling this year made it possible to reduce the debt service allocation in the 1989-90 budget and maintain allocations to ministries out of expenditure balanced with revenue at CFA 600bn as in 1988-89, (CFA 800bn. in 1986-87, CFA 650bn. in 1987-88). The situation could well worsen, but it is fair to note that, as Biya himself always stresses, Cameroon is vulnerable to world economic forces beyond its control; and that ordinary Cameroonians are not yet suffering from the crisis in anything resembling the way that many other Africans have suffered for years past.

* Costly Bureaucracy Limits Unemployment

34000168B London WEST AFRICA in English 13-19 Nov 89 pp 1890-1892—FOR OFFICIAL USE ONLY

[Article by Jonathan Derrick: "Biya's Bilingual Domain"]

[Text] It is now seven years since Ahmadou Ahidjo startled the people of Cameroon by announcing his resignation as president. It took effect when he handed over to Paul Biya on November 6, 1982, and a bemused population saw the new president not only get firmly into the saddle, but defeat a dangerous challenge from his predecessor in 1983. There followed the attempted coup d'etat in April 1984, but after its defeat, Biya

remained firmly in power. Now, after seven years, he is an established part of the Cameroonian and African scene.

The last three years have been dominated by Cameroon's economic crisis. This has, however, not been accompanied by anything like the political tension of the earlier years of Biya's presidency. The events of April 1984 were traumatic for the president and the public, and for a long time there was public apprehension about plots by Ahidjo, which reached absurd extremes at times. But that phase has passed and so has the phase of very frequent government changes, which seemed a sign of instability in the first years of Biya's rule. The situation seems secure enough now and, as for Ahidjo, the government recently felt able to authorise putting back into circulation banknotes with his portrait on them, presumably not fearing misinterpretation by the credulous. Clearly the man no longer matters.

At the same time, the main features of the regime established by Ahidjo have been maintained by Biya. Cameroon remains a one-party state with strongly repressive features; to a great extent it is the same regime with a new head (even some of Ahidjo's closest colleagues, initially sacked, have returned to important positions). Hopes entertained by many Cameroonians and others in 1983 for a more liberal regime were quickly dashed. The single party has been renamed the Rassemblement Democratique du Peuple Camerounais/Cameroon People's Democratic Movement (RDPC/CPDM), and no other party is tolerated. A change under Biya, however, has been the introduction of contested elections to the National Assembly, as in April 1988, with rival candidates within the RDPC/CPDM. This liberalisation has not extended to the presidency; Biya was reelected with the customary 99 percent in April last year.

There is much that has not changed sine 1982. The media are still controlled and subservient; journalists have often been arrested under Biya, and one television broadcast was said to have been halted in mid-transmission on orders from the presidency. The secret police system was reinforced after the events of April 1984. In 1988, Jean Fochive, a secret police chief with a particularly bad reputation under Ahidjo, was appointed head of the CENER [National Research and Intelligence Center], a political police force under Biya: a clear sign of 'continuity'. About the same time the head of the Surete Nationale, Gilbert Andze Tsoungui, warned that the 1962 decrees on subversion were still in force and 'extremely topical'.

But, in considering these events one must examine deeds as well as words. There is in fact, less fear and more free speech than under Ahidjo. Andze Tsoungui warned on that occasion against abuse of freedom of expression; that freedom does exist to some extent now. Books describing Ahidjo's regime, including its worst features, are freely on sale, even though the cap still fits. People talk freely about the country's situation, and while this often means recounting the unchecked and sometimes wild tales of radio-trottoir (still flourishing under Biya, because of continued secrecy), it means looking over one's shoulder less frequently.

The peace and relative lack of ethnic tension in everyday life have continued since Ahidjo's time. The ridiculous forecasts of some supporters of Ahidjo in 1983, suggesting that one man alone could hold the line against civil war, have, of course, not been borne out. There was, it is true, the shocking sequel to the April 1984 events—the persecution of northerners and the flight of many of them from the southern cities—but this was temporary and untypical. In the streets of the great metropolis of Douala, and elsewhere, Cameroonians of all regions live and work together peacefully. But ethnic and regional problems are there. How they affect the armed forces, since the privileged role of northerners under Ahidjo was brutally ended in 1984, is a matter on which only radio-trottoir can speak with confidence. As for the top level of government, ethnic interpretations are also hazardous. Where regional feelings, especially among the anglophones of West Cameroon, really matter are in the questions surrounding education and the civil service. Not only is the civil service, as under Ahidjo, a bulwark of the regime (a fact which many of its members like to impress strongly on the public), it is also, as much as ever, the preferred career for school and university leavers. Among the southern peoples of Cameroon, with high rates of education, this has led to a situation underlying many of the events of Biya's rule.

When the economic crisis which has hit Cameroon became obvious in 1987, the enormous increase in the government payroll was clearly seen as one cause. It turned out that, with little or no publicity (typical of Cameroon under Ahidjo and Biya), the civil service had been roughly doubled in strength within a short time after Biya's accession. Later it appeared that the secret account into which oil revenues had been paid since Ahidjo's time (the Extra-Budgetary Account, CHB) had been used to finance this mass recruitment. The reason was undoubtedly not so much an urgent need for staff as the pressure for jobs in southern Cameroon. Among the Betis, the Bulus, the Bassas and other southern peoples there is virtually universal primary education.

Secondary education is very widespread despite its now high cost, and there are many hundreds of new graduates each year. Cameroon's own university is bursting at the seams, and there are thousands of Cameroonians studying in France. The phenomenon of the unemployed graduate, previously associated with Asia, has appeared in Africa in the 1980s, Cameroon included. It continues, despite the great increase in the civil service under Biya. The story of that mass recruitment, and the fierce competition for jobs for educated people which still continues in spite of it, is the big untold story of Biya's presidency.

Under Ahidjo, Nordistes benefited from reverse discrimination in recruitment into government service.

This has now ended; feelings about it can be seen as a factor in the groundswell of support for Biya in the 1983 crisis. The rule of the southern (Bulu) president has meant the assertion of the southern francophones' in-built dominance over employment for educated people. This underlies the negative feelings about Biya, expressed openly in the first few years after 1982 at least, among the anglophones.

Bilingualism has been fully maintained under Biya, who himself speaks good English, and there have been no formal discriminatory moves against the people of North-West and South-West provinces. There was an unfortunate symbolic move in 1984: the renaming of United Republic of Cameroon (a name which had recognised two distinct parts) as the simple Republic of Cameroon. While the francophone part of Cameroon had been overwhelmingly dominant under Ahidjo, the change of name seemed like a way of rubbing it in. Ironically, Biya's government, after attending the summit of francophone countries earlier this year (which Ahidjo had refused to do because of the special bilingual status of Cameroon), is also intending to balance this move by seeking to join the Commonwealth.

For West Cammeroonians the questions of education and public sector employment are what really matter. They want their English system of education to be accorded equality with the French one used by the rest of the country, and often allege that it not. Last year there were protests at plans to bring the English system more into line with the francophone one.

A common topic of conversation in Cameroon is the search for jobs by qualified people, frequently involving delay, hassles of all sorts, and either real favouritism and corruption or allegations of these. The cause is, in part, simple bureaucracy; under Biya, bureaucracy remains Cameroon's worst man-made plague. Anglophones allege that for them, there is also discrimination. That they are at a disadvantage in the fierce competition for jobs is likely enough. But competition and the related problems affect many parts of the country. Biya, has intervened several times to cut through red tape and see to the absorption of hundreds of qualified applicants into the civil advice. The numbers remaining unemployed are unknown but certainly large and growing, and the experience of many countries suggests the dangers involved.

Central African Republic

* Civil Service Reduction of 10 Percent

34190046A Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 24 Nov 89 p 3388—FOR OFFICIAL USE ONLY

[Text] The Central African minister of civil service has been working for several months on a restructuration plan that should lead to a 10 percent or so reduction of the state work force.

Two programs were set up with the help of the International Monetary Fund and of the World Bank. They should cost 5.8 billion CFA [Central African francs]. Daniel Sehoulia, the minister of civil service, explained to AFP on 15 November that 2,000 of the 20,000 positions currently held by civil servants will be abolished. The first program, called assisted voluntary resignation (DVA), proposes a resignation indemnity equal to 40 months of salary. The average salary of a civil servant is 50,000 CFA francs. Over 300 individuals have already taken advantage of the offer and approximately the same number are getting ready to do so. The Central African Government hopes that the assisted voluntary resignations will thus encourage nationals to create small- and middle-sized businesses.

* Chinese Loan of 4.5 Billion CFA Francs

34190046B Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 24 Nov 89 p 3388—FOR OFFICIAL USE ONLY

[Text] While on an official visit to Bangui, where he has been since 18 November, Li Tieying, the Chinese vice prime minister and state adviser, announced on 19 November that the Chinese Government was going to grant an interest-free loan of 4.5 billion CFA [African Financial Community] francs to the Central African Republic.

Li Tieying, who is heading a 13-person delegation, also announced that the University of Bangui would receive a gift of 10 microscopes. The Chinese delegation was also scheduled to meet with the Central African ministers of foreign affairs and of national education, and to visit several socio-economic finished projects in Bangui and in the interior of the country. It will leave Bangui for Brazzaville on 21 November.

Zaire

* Nation's Business Show Charms French Investors

90EF0140A Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 24 Nov 89 pp 3390-3391—FOR OFFICIAL USE ONLY

[Text] "We are here to show that Zaire today offers all the right conditions for the growth of both public and private business, and that our nation has authentic entrepreneurs with whom French business people can find the substance of productive ventures between our two countries." This proclamation in Paris on 14 November by Mr. Bemba Saolana, president of ANEZA [National Association of Zairian Enterprises] and chief executive officer (CEO) of Scibe Zaire, set the tone for the exhibition, "Made in Zaire."

Numerous Zairian Businesses Present

For many it was another meeting in a series of direct contacts between French and Zairian firms (see the 12

May 1989 MARCHES TROPICAUX ET MEDITERRANEENS, page 1295). Mr. Philippe Clement, former president of the Paris Chamber of Commerce and Industry, recalled the process that led to the creation of the Franco-Zairian Chamber of Commerce two years ago and announced the upcoming assignment of a National Service Volunteer to this organization. Today the chamber can boast 150 members as well as the role of mastermind of "Made in Zaire," stated its president, Mr. Ya Mutwale.

The Franco-Zairian week revolved about two axes: greater knowledge of French realities on the part of the Zairian entrepreneurs in attendance (with visits to the Grand Arch, the CNIT [National Center for Industry and Technology], and the Society of Professional Subcontractors, and a one-day excursion to Bordeaux), and, conversely, a presentation of "Zairian know-how," through an exposition organized 15-22 November at the Trade Mart.

A dozen firms considered the most representative of economic activity in Zaire and among the most competitive presented their products at the Trade Mart in Paris. Alongside the display for Gecamines (the country's largest enterprise with a sales volume in 1988 of $1.5 billion) stood other prominent companies, such as MIBA [Bakwanga Mining Company], which produced 8.2 million karats in 1987, and Scibe Zaire, with 15,000 people on its payroll. Public enterprises were represented as well, including SNEL [National Electricity Company], SNCZ [Zairian National Railroad Company], OGEFREM [Zairian Office of Maritime Freight Management?], OZAC [Zairian Control Office], and the BZCE [Zaire Foreign Trade Bank]. Smaller companies in a variety of fields also exhibited: Asyst (computer assembly and software services, with a 1988 sales volume of $2 million), Utexafrica (textiles), Tshulu Establishments (gems and jewelry) and Interior (furniture and decorating).

"We are not here to sell our goods but rather to look for French partners," stressed Mr. Bisengimana Rwena, CEO of Asyst, adding that what Africa needed was not technical assistance or financing, but democratization. On the other hand, Mr. Nzanda Bwana Kalemba, head of Zaire's Foreign Commerce Ministry, which sponsored the exhibition, described Zaire as "free and democratic, where the functioning of industry is characterized by free enterprise."

Zaire's delegation also included other companies, including SGEE (electricity), Interfruits (liqueur manufacturing), Sesemo (business management), Agetraf (transport agents), CZP-RSCG (publicity), the Matiere company (food), ZTE (engineering), Fanair, Sozaff, and Batiza in the field of air conditioning, Caza Immobilier (furniture), Lamy (industry), Magraza (printing), Cartozaire (cardboard), Amiza (shipping), PAM [Minimum Agricultural Plan] Establishments (trade, food), Sojuf (fruit juice), Cogalza (dairy products), and the New Kinshasa Bank.

Growth of Foreign Trade

During the 14 November seminar, the French public partners stressed new financing procedures, with earlier arrangements with the state or the central bank for bank refinancing, and a procedure for loans directly to businesses. Mr. Gonon, deputy director of the CCCE [Central Fund for Economic Cooperation], also stressed the idea of centralizing all trade in a single channel through his organization.

Trade between France and Zaire in 1988 reached 1.5 billion francs and saw a growth in French exports over 1987 (up 12.5 percent), crossing the billion franc mark. French imports from Zaire accounted for 52 percent of agricultural foodstuffs and 43 percent of nonferrous metals, while 73 percent of France's exports to Zaire represented manufactured goods. French copper purchases rose from 136.9 million French francs in 1987 to 227 million in 1988, while French coffee purchases amounted to only 251.6 million in 1988 compared to 474.7 million in 1987, the drop resulting primarily from falling prices.

The growth in French exports to Zaire results from one exceptional sale (delivery of a Dassault "Falcon 50" to Gecamines) and from the growth of French financial commitments, Zaire receiving credit from the CCCE and financial protocols. In this way, France's share of the equipment trade has swelled, via the growth in CCCE loans, which reached 438 million French francs in 1988.

According to some Zairian participants, debates on the subject, "How to trade with Zaire" revealed ignorance of their market. Commercial bank deposits rose to $224 million as of 1 September 1987, for known investment needs of 875 million, stated Mr. N'Sele Ekofo, president of the BZCE. He added, however, that it poses no real currency problems.

A trading company suggested the necessity of protecting local manufactured goods from the threat of massive imports of products from Asia. The solution lies rather in a balance between a totally free-market system and protection of local industry, according to Mr. Ekofo, who pointed out that protection of the textile industry had produced the opposite of what it was intended to do.

Mr. Ya Mutwale, president of OGEFREM, insisted on the importance of shipping, since nearly all merchandise is imported. He said the harbors have been fully utilized for nearly 4 years. Control is needed, pointed out the president of OZAC, Mr. Endundo Bononge, to have quality merchandise at the most reasonable prices possible. With 1,800 agents and 22,000 files each year, OZAC wants to become an adviser to the state, Mr. Bononge concluded.

The impact of the exhibition cannot be measured yet. The horizon looks bright, stressed Mr. Bemba Saolana, because in two years, Zaire will host the fourth Francophone summit and the third Francophone business forum (organized by ANEZA). "Faith and conviction,"

according to Mr. Clement, also have produced results. He wants to see things continue to improve since he will benefit from his recent election to the post of administrator of COFACE [French Foreign Trade Insurance Company] to increase that company's presence in Zaire.

* Continuation of 5-Year Plan Approved

90EF0140B Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 24 Nov 89 p 3391—FOR OFFICIAL USE ONLY

[Text] According to AZAP (Zaire's news agency), the Legislative Council (Parliament) approved at the beginning of November the Executive Council's (Government's) report related to the execution of the five-year plan (1986-1990) for the annual portion of 1988 and for the first semester of 1989.

The plan saw a 49-percent completion rate for the period 1986-88, reported the Zairian minister for planning, Mr. Bieme Ngalisame, adding that 341 billion zaires had been spent as of 31 December 1988, out of a total budget of 1,157 billion.

The minister for planning broke down spending for the first half of 1989 as follows: mines and hydrocarbons (29.6 billion), transportation (16.2 billion), electricity (12.2 billion), water (7 billion), urban planning (5.7 billion), agriculture (3 billion), and telecommunications (2.8 billion).

According to the minister for planning, the Executive Council experienced great difficulty determining the actual extent of implementation because of the absence of well-conceived studies. The deputies denounced the "incongruity of an ambitious and extravagant five-year plan and adherence to a barebones structural adjustment program."

A 37-percent completion rate for 1988 clearly falls short of full success, admitted the minister, although it furthered "progress in discipline and safety practices."

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